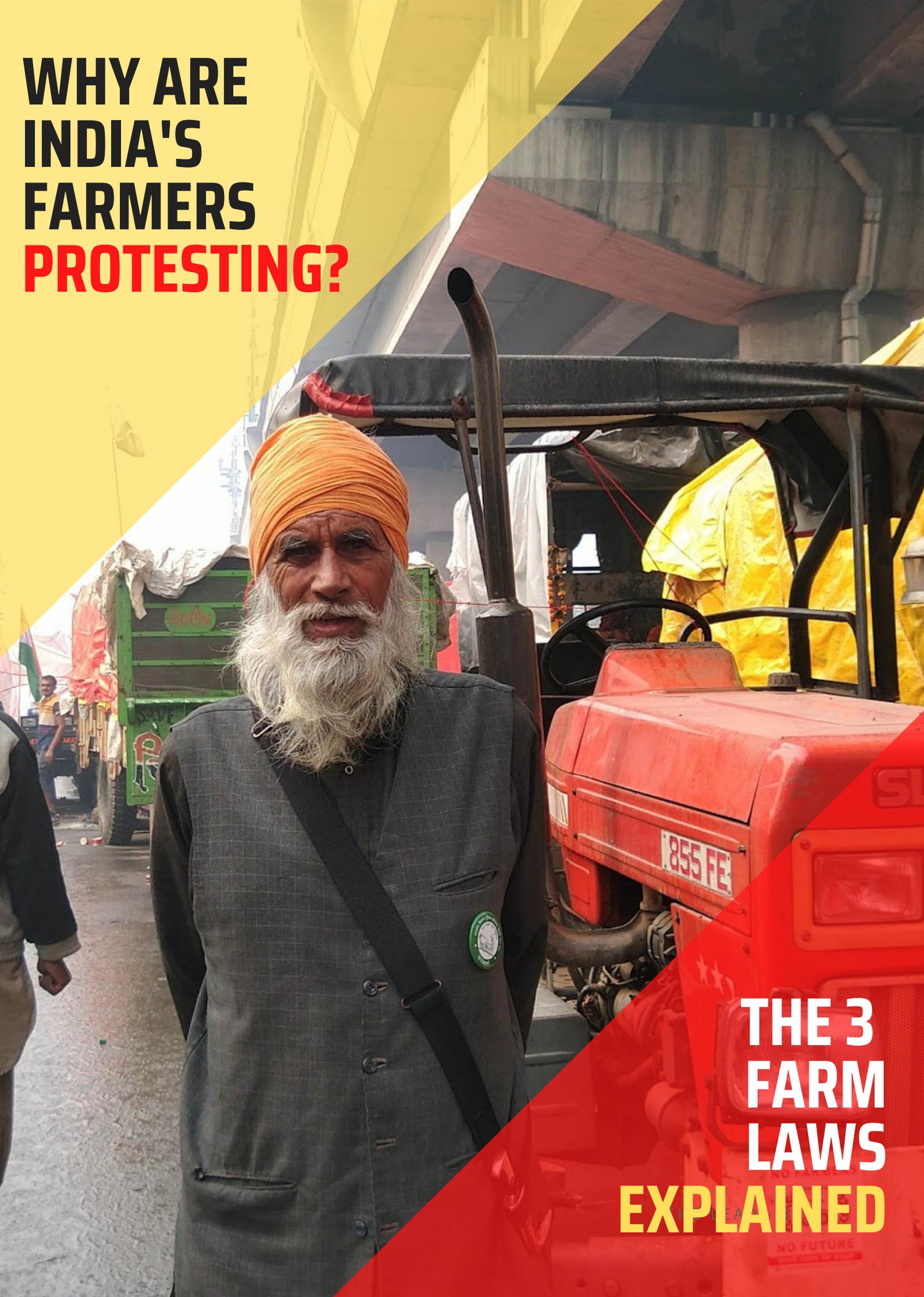


# WHY ARE INDIA'S FARMERS PROTESTING?



**THE 3  
FARM  
LAWS  
EXPLAINED**

# ARE THE NEW FARM LAWS ACTUALLY GOOD FOR FARMERS?

The 3 new Farm Bills passed in 2020 de-regulate the Indian farm sector and open it up to private corporations. These Laws have been lauded by economists, corporations and the Indian media as a wonderful thing.

**The cold, hard, reality, however, is that big corporate involvement in agriculture has never boosted farmers' income over the long term anywhere in the world.**

It has only benefited the large corporations who have gotten involved.



**Simply put, agriculture is sustainable and viable in rich and developed countries *not* because the markets are efficient, but because the government provides subsidy support year after year.**

(China, incidentally, has now emerged as the biggest provider of agricultural subsidies in the world, beating even America and the European Union!)

## DID YOU KNOW...?

- **Farmers' income remained static globally between the 1980s and the 2000s.** As a result, governments around the world, including those of the richest countries, have had to pump billions of dollars of help (also known as 'agricultural subsidies') into their agricultural sectors to keep them afloat.
- **The OECD countries, the richest trading bloc in the world, pump billions of dollars into agriculture every year by way of direct income support or subsidies.** Europe today gives about \$100 billion of agricultural subsidies annually, roughly half of it as direct income support to farmers.
- **What has been called 'market efficiency' in agriculture or agriculture export, is, in reality, federal support that governments have been providing to the agricultural sector.**

## THINK ABOUT IT!

- **If the free market is so good for farmers, why are governments of developed nations having to give them massive subsidy support?**
- **And if the open market model has failed farmers around the world, why is India rushing to adopt a failed model?**
- **Could it have something to do with the government's cozy relationship with India's wealthiest business tycoons?**

# INDIA'S TRAGIC AGRICULTURE STORY

India's much-touted 'growth story' has left the farmer behind. Although the farmer has always been one of the most vulnerable members of Indian society, his fate started getting truly sealed in the 1990s when the Indian economy 'liberalized.'

- **Following the World Bank's prescriptions to move 400 million people from rural to urban areas by 2015**, successive Indian governments have systematically squeezed public investments in agriculture and impoverished farmers by denying them a fair and remunerative price.
- **There has been a concerted, state-sponsored effort for decades to make agriculture unprofitable and push farmers off the farms and into the cities;** to turn them into cheap labour for infrastructure, construction, and real estate projects!
- **This long-term project based on short-term thinking has cut across party lines.** In fact, the National Skill Development Council stated in 2015 that its aim was to reduce the work force in agriculture from the existing 57% per cent to 38% by 2022.



***While the urban rich continue to increase their abundance every year, the rural poor continue to sink deeper into debt bondage and poverty.***

- According to Oxfam India, **it will take 941 years for a minimum wage worker in rural India to earn what the top paid executive at a leading Indian garment company earns in a year.**
- Add to this the stunning fact that **over 300,000 farmers have committed suicide between 1995 and 2015.** In many ways, the three new farm laws are the last straw for the Indian farmer.
- **Let us also not forget that the Laws were passed via Ordinance at the height of the pandemic in 2020 without adequate discussion and debate in Parliament!**

# THE 3 LAWS - SIMPLIFIED & DE-MYSTIFIED

Since the laws have long, complicated names...

1. **The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020**
2. **The Essential Commodities (Amendment) Bill, 2020**
3. **The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020**

... let's just, for ease of explanation, call them:

1. **The Mandi-Bypass Law**
2. **The Essential Commodities Law**
3. **The Contract Farming Law**

## 'THE MANDI-BYPASS LAW'

Farmers currently sell their produce in government-run networks of wholesale markets called mandis. (They also sell them outside the mandis but in the mandis they are at least assured of at least a basic minimum price for rice and wheat and perhaps a few other crops.)

**This Law has now allowed private companies to set up parallel mandis**, which, the farmers fear will make the existing mandis redundant and leave them at the mercy of corporate houses who will eventually force them to sell their produce at throwaway prices even though initially they may offer higher prices.



**This has already started affecting the existing state-run mandis.**

**For example, in Madhya Pradesh there are 269 large mandis.**

**Since these Bills were introduced in June 2020, 47 of these mandis have shut down!**

As senior journalist, Magasaysay Award Winner and agriculture expert P. Sainath explains,



*"Mandis are a bit like government-run schools. – many are inefficient and poorly run, but they are the only schools that millions of children will ever attend. Doing away with the mandis is a bit like doing away with government schools and then saying, 'We have set millions of poor children free! They now have freedom to go any private school anywhere they want in the country!'"*

The solution is not to shut down government schools and replace them with private players. The solution is to put money and focus into improving and expanding the existing government school network and making education easily accessible and available for millions of India's children. **So it is with mandis.**

**There are 7000 mandis in India at the moment. What is actually needed is a network of 42,000 mandis around India within a 5 km radius, so that the farmer is able to easily sell his produce.**

## THE ESSENTIAL COMMODITIES LAW



- Very simply, **this law removes essential commodities from the list of essential commodities that cannot be hoarded. It also gives private parties the freedom to stock and store as much agricultural produce as they want!**
- Till very recently this was illegal, because hoarding food leads to black-marketeering and subsequent price rise.
- One does not have to be a genius to realize that **he who controls the supply also controls the price.**

**With this law, private players can force the farmer to sell to them at a lower price and in turn can sell to the consumers at a higher price!**

# THE CONTRACT FARMING LAW

- This law allows private parties to enter into agreements and contracts with farmers directly and tell them what to grow. A nice idea on the face of it, but in reality, this law actually gives **a shocking amount of legal impunity to private players.**
- In case of a disagreement between a farmer and a corporation, for example, **the farmer will only be allowed to appeal his case not to the judicial system, but to Sub-divisional Magistrates**, a fairly low-level administrative rank.
- Besides the land-owning farmers, **there are also nearly 500 million landless individuals in rural India**, who depend on the farm sector for their livelihoods. Once the corporates come in and bring in modern technology and heavy machinery, **there is no guarantee that a huge chunk of these farm labourers will keep their jobs.**
- This is, without exaggeration, **a life and death situation for millions of rural workers**



## WHAT IS 'MSP'?

- **For many decades now, farmers have received 'MSP' or 'Minimum Support Price' for growing certain crops.** This began at the time of the Green Revolution in the 1950s and 60s, when the government promised to pay farmers a certain minimum amount for their produce.
- The farmers, besides demanding that the government scrap these three laws, are also asking it to **bring in a fresh piece of legislation that makes Minimum Support Price a legal guarantee for them.**
- The farmers rightly argue that doing so will put money in their hands and help to solve the huge agrarian crisis that India has been reeling under for decades now.



- In fact, the farmers argue that once farmers have money in their hands, they will have more purchasing power and will create a demand for goods and services all over India (since such a huge number of Indians are farmers). **This, in turn, will create a virtuous cycle, help reboot the manufacturing sector, thus giving a shot in the arm to an ailing economy.** (Nobel Laureate Amartya Sen has also said much the same thing.)



## IN A NUTSHELL...

The farmers of India want the government of India to

- **Repeal the 3 Farm Laws completely**
- **Introduce Minimum Support Price for all 23 major Indian crops across the country, (NOT just for wheat and paddy as is currently the case.)**
- **Make Minimum Support Price a legal right for farmers.**

*"Instead of letting the existing 7000 mandis in the country go to ruin, what the government should do is **build a network of 42,000 mandis across the country within a 5 km radius which will make it easy for India's farmers to sell their produce at a guaranteed minimum price and within easy reach. That will be true azadi for the farmer!**"*

-- Devinder Sharma, Leading Food Policy Analyst





The farmers camped at Delhi's borders are living in difficult conditions, at many spots without adequate running water and functional toilets.

**And yet their demeanour is graceful, generous and kind. Those who have visited and met the farmers at Delhi's borders will invariably tell you that the first question they are asked is, "Will you have a cup of tea and something to eat?"**

This isn't a courtesy shown only to their well-wishers, it is hospitality that is also extended to the paramilitary troops and police keeping an eye on them.

**When asked what the residents of Delhi/non-farmers can do for them, the answer is invariably, "Please tell the people of Delhi and the government we are not terrorists. Tell them we are non-violent, and tell them that we will not go back till these laws are repealed. We will stay here as long as we have to."**

The farmers of India aren't just fighting for themselves. They are fighting for us too.

**Let us stand with them in their hour of need.**