

Sowing Dissent, Harvesting Repeal: Reflections on India's Farm Law Reforms

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Abstract

In 2020, the Government of **India** introduced three farm laws aimed at restructuring the agricultural marketing framework. Instead of generating consensus, these legislations provoked large-scale resistance from farmers and allied stakeholders, resulting in a prolonged agrarian movement that ultimately led to their repeal in November 2021. This study analyses the views and concerns of farmers, consumers, and commission agents regarding the enactment and withdrawal of these laws. The analysis draws on primary data collected through face-to-face and telephonic interviews with 150 respondents, including 60 farmers, 60 consumers, and 30 commission agents, from the districts of Gurdaspur, Hoshiarpur, and Ludhiana in Punjab. The findings indicate that farmers largely opposed the laws due to apprehensions about the erosion of the APMC system, ambiguity surrounding the Minimum Support Price mechanism, and asymmetrical power relations inherent in contract farming arrangements. Commission agents feared occupational displacement with the dilution of regulated markets, while consumer opinions remained divided, with many expressing concerns over price instability and hoarding following amendments to the Essential Commodities Act. The study argues that although agricultural reforms are imperative, they must be designed through transparent, participatory, and federal processes to foster trust and ensure equitable and sustainable agrarian transformation.

JEL codes: Q10, Q15, Q18, Q19

Keywords: Farm laws, Farmers' agitation, Agriculture, Commission Agents, Punjab Economy

1. Introduction

A meeting of the Union Cabinet presided over by the Prime Minister of India, on June 3, 2020, passed the three ordinances proposing reforms in the agriculture sector of India. The ordinances were promulgated by the President two days later (Gill, 2021). These ordinances were replaced by the three farm laws-Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 (GoI, 2020a); Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (GoI, 2020b) and Essential Commodities (Amendment) Act, 2020 (GoI, 2020c) in the Monsoon Session of the Parliament of the year 2020, which were passed eventually (Krishnamurthy, 2021). When these laws were introduced as ordinances, they were subject to sporadic protests later subdued by the spread of the COVID-19 pandemic. There was a demand for scrutiny of these laws by the opposition parties at the time of their introduction in the Parliament of India. However, these demands were rejected, and the government forcefully passed this legislation (Gandhir, 2021; Singh et al., 2021). A call for 'Delhi Chalo' was given by farmer unions of Punjab and Haryana to hold a march in Delhi for the repeal



of these laws. However, this demand was rejected by the Delhi police, and the farmers reached the borders of the national capital after facing the hostility of Haryana police on November 26, 2020 (Jodhka, 2021). They were not allowed to enter the union territory, but over the next few weeks, they laid siege around it, occupying some of the major highways connecting it to other parts of the country (Deodhar, 2021). These protests continued uninterrupted until the central government finally announced to repeal the three contentious farm laws on November 19, 2021 (Chatterjee, 2021; Lerche, 2021; The Wire, 2021). The prime minister is not known for backing down, but the way he took a U-turn from the laws he was endorsing for the past year shocked everyone nationally and internationally. Further, how this repeal will unfold, whether it is a setback or a step forward for agriculture, is a matter requiring in-depth discussion.

Before we move forward, it is important to discuss what these laws entail. As advocated by the government, the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, aims to provide farmers with a choice of whom to sell to by freeing them from the obligation to sell at a particular place. Effective inter-state and intra-state trade could bring about transparency in agricultural marketing. This act would be empowering for farmers as they can actively negotiate the price of the farm produce rather than being passive recipients of prices decided by commission agents (Shah, Lokhandwala & Chudasama, 2021). It would provide liberty to the producer to sell his products anywhere in the country and promote e-commerce, and in case the new system fails, the government is welcome to intervene.

Farmers' (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, is claimed as an improvement over the old contract farming bill already adopted by 20 states. There would be an agreement between the farmers and the sponsor before the initiation of the production process, setting the price of the crop and various terms and conditions relating to the contract. The role of the sponsor would be limited to purchasing the product and providing inputs and services as agreed earlier. There is no provision for leasing, purchasing, or modifying the land of the farmer (Shah, Lokhandwala & Chudasama, 2021).

Essential Commodities (Amendment) Act, 2020, signifies that the stock holding limit of commodities like pulses, oilseeds, cereals, edible oil, potato, and onion can be enforced only in extraordinary circumstances like wars, natural calamities, and extraordinary price rises. In terms of the price hike, limits can only be enforced when there is a hundred percent rise in the price of horticultural commodities or an increase of fifty percent in the price of non-agricultural commodities over the prices prevailing from the last twelve months or average prices of five years, whichever is lower (Anwar & Shakeel, 2021).

Given the government's claims, several apprehensions among related stakeholders regarding the enactment and repeal of the farm laws are examined in the present research. The present paper is divided into four sections. Section 1 is devoted to the introduction of the problem and the objective of the research. Section 2 presents the research gap, data, and methodology. The third section deals with the demographic profile of the respondents and the findings of the study. Finally, in the fourth section, policy implications, limitations, and the conclusion of the study are presented.

2. Research gap

Thousands of farmers sat for 378 days at the borders of Delhi, braving scorching heat and chilly winters, peacefully protesting the repeal of the farm laws. What were the insecurities of the farmers and other related stakeholders about these laws that this protest took the shape of one of the biggest mass movements of the 21st century requires an in-depth inquiry. Additionally, how things have changed after the dismantling of the farm laws also needs a thorough probe. One could find only a handful of studies related to the matter, as these laws were enacted only a year before. Further, there is a dearth of literature relating to the repeal of the farm laws. No



primary study has yet been undertaken to understand the perception of the segments of society related to the three farm laws. The present study tries to find out the implications of the three farm laws for farmers, consumers, and commission agents and what the repeal of farm laws means to them. It will hopefully make valuable additions to the literature pertaining to the farm laws.

3. Database and Methodology

The present primary study is based on information collected through face-to-face and telephonic interviews based on a pre-tested questionnaire. The respondents belonged to three districts of Gurdaspur, Hoshiarpur, and Ludhiana of the Majha, Doaba, and Malwa regions of Punjab, respectively. These districts have the highest rural population in the region, and further, in these districts, the block with the highest rural population was selected. In the next step, two villages with the largest population in those blocks were selected. Thirty-five people were interviewed in each village. Out of the total 210 respondents, 150 respondents gave satisfactory answers to all the questions, and they made the final sample. 150 respondents included 60 farmers, 60 consumers, and 30 commission agents. Purposive sampling was used to select the respondents. The respondents were asked questions about whether they know about the three farm laws, what their perception is about each of these laws, what they think about the farmer protest, whether they participate in the protest, etc.

4. Results and Discussion

4.1 Demographic profile of the respondents

Out of the total respondents, 121 were male, and 29 were female. The highest number of respondents was in the age group 53 and above, and 87.33 percent of respondents are married. The total respondents having matriculation, higher secondary, and graduation were 29.33, 27.33 and 15.33 percent respectively. In the Gurdaspur district, the number of male farmers, consumers, and commission agents was 20, 13 and 9, and there are eight female consumers. In the Hoshiarpur district, the total respondents were 51, while in Ludhiana, the total respondents were 49 and 50 in Gurdaspur (Table 1).

Table 1: Demographic profile of the respondents

Categories		Frequency	Percent
Gender	Male	121	80.67
	Female	29	19.33
	Total	150	100
Age (Years)	18-32	24	16
	33-42	40	26.67
	43-52	42	28
	53 and above	44	29.33
	Total	150	100
Marital Status	Married	131	87.33
	Single	19	12.66
	Total	150	100

Qualification	Illiterate		24		16	
	Matriculation		44		29.33	
	Higher secondary		41		27.33	
	Graduation		23		15.33	
	Post-Graduation & above		12		8	
	Others		6		4	
	Total		150		100	
Profession	Gurdaspur		Hoshiarpur		Ludhiana	
District	Male	Female	Male	Female	Male	Female
Farmers	20	0	20	0	20	0
Consumers	13	8	9	11	9	10
Commission Agents	9	0	11	0	10	0
Total	42	8	40	11	39	10

Source: primary survey

4.2 Perception of stakeholders regarding farm laws

4.2.1 The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020

The perception of the respondents varied in the context of the first farm law, The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020. Hundred percent of the farmers expressed that this law would work against their interests (see table 1). They vehemently believed that this law would scrap the Agricultural Produce and Marketing Committees (APMC) as the establishment of the new 'trade areas' would lead to the formation of two parallel but very different markets where APMCs are bound to collapse. One of the farmers asserted, "We have seen the fate of farmers of Bihar after the APMC mandis were abolished in their state; we don't want to work as labourers in some other state like them." The new markets will not be regulated by the state or local government which induces fear in the minds of the farmers as expressed by them, "Earlier if there were any malpractices done by traders or commission agents, we could approach the APMC officers in the mandi itself, but now if these laws would have been implemented we would be required to lodge a complaint with the sub-divisional magistrate which is a long and expensive process" Probable withdrawal of Minimum Support Price (MSP) on 23 crops like wheat, rice, pulses, oilseeds, sugarcane, cotton, etc. is another worry of the farmers (Bhattacharya & Patel, 2021) as highlighted by a farmer in his interview, "I am a marginal farmer with 1.5 acres of land, without MSP how would I survive. Do you think these corporations would purchase my crop fairly, and what bargaining power do I have in front of them?"

The responses of the consumers regarding the first farm bill were mixed; 65 percent of the consumers believed this law to be harmful to the farmers, while 35 percent asserted this law to be beneficial for farmers and society at large. Even though the consumers are not directly affected by the first law, they asserted that farming is the backbone of the economy and any harm to it would be harmful to them as well. One of the consumers responded, "If the procurement is made by private players, they will deliberately increase the prices of foodstuffs. We can already see it in the market, wheat which costs only about Rs. 20 per kg is sold at Rs. 35 by popular



brands. How will a poor person afford to buy food?" Some consumers contended these views and said, "The emergence of the new market will offer a variety of avenues to the farmers to sell their products and promote inter-state and intra-state trade. They can secure remunerative prices as middlemen will be eliminated."

All of the commission agents opposed the FPTC Act, the first farm law, because they feared that the new markets would not be taxed and they would be able to offer higher prices to the farmers, and no or only a few farmers would sell in APMC mandis, which would eventually be dismantled. A commission agent responded, "The government is making every effort to drive us out of the market. What will happen to those who depend on us? I have 20 labourers employed under me; they would be rendered unemployed if things go downhill." Another commission agent defended their role in the mandi system by saying, "We take commission because we provide a variety of services to the farmers. We offer unloading and cleaning of the produce, help farmers in the auction process, and then, the product is our responsibility. The further shift of the produce from the APMC mandi is also done by us. We only face hatred because we perform the function of money lending too."

4.2.2 Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020

Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, does not mandate a written agreement between farmers and private companies in contract farming. Without a written contract, it becomes very difficult for the farmer to seek justice in case of violation of the agreement. Ninety-five percent of the farmers were against this law. A farmer said in his interview, "If we faced any injustice at the hands of the big corporations, then who would come to our rescue. Do you think we can fight them in the court of law?" Further, the bill does not contain any specification about the price of the crop in the contract that should be equal to or higher than MSP. "About ten years ago, we were approached by a liquor company to sow barley in our village, and they offered to pay a price higher than MSP. For the first three years, they paid Rs. 375 above the MSP, and as more and more farmers started sowing barley, its supply increased. Later, the company started paying less and sometimes even rejecting the crop on the pretext of poor quality. Therefore, we stopped cultivating the crop", a farmer shared his earlier experience with contract farming.

Consumers gave mixed responses about this act, as 55 percent had positive views about this act. They said, "Farmers can avail the resources of big corporates and with predetermined prices, they can cultivate crops without any worry." While 45 percent had contradictory views, one among them said: "We have seen contract farming in Punjab, it has never emerged favourable for the farmers." Further, ninety percent commission agents majorly supported the views of the farmers, "It is an undeniable fact that whoever has capital in their hands has an edge over the other party. Farmers will be at the mercy of these big corporations." Some contended his view by adding that, "The contract farming may provide those resources to the farmers which were not earlier available, it may act as a golden opportunity for them."

4.2.3 The Essential Commodities (Amendment) Act, 2020, is an amendment of the Essential Commodities Act, 1955

The third law takes certain commodities out of the category which had prescribed limits on hoarding earlier (Krishnamurthy, 2021). Ninety-five percent farmers were against this law. A farmer responded, "This law would be disastrous for a country like India, where millions are still living below the poverty line." Further, another farmer added, "This law is the prime example of government running away from its responsibility and selling the nation to the Ambanis and Adanis." Surprisingly, some consumers who had expressed favourable views about the first two laws strongly opposed the ECA, 2020. Eighty percent consumers opposed this law, and one consumer told, "This act will lead to acute shortages in the market as companies will deliberately hoard goods and wait for the prices to rise." Similarly told by another consumer, "The extraordinary circumstances as listed in the laws are very limited; if the government want to run things smoothly, it should certainly make additions to this list."



The commission agents unanimously opposed this law by saying, “*This law should be called the Food Hoarding Bill, 2020, as this is the main intention of the government.*”

4.3 Perception of stakeholders regarding repeal of the farm laws

The prime minister announced the repeal of the farm law on the occasion of Guru Nanak Dev Ji’s Jayanti. While apologising to the countrymen, he said that there have been deficiencies at the government’s end which prevented them from convincing their people regarding the farm laws. He urged farmers to return to their homes and let’s start afresh (Sharma, 2021). When asked about their thoughts on the repeal of the farm laws, farmers supported the decision of the government and said, “*There is immense joy in the farming community after the Prime Minister made the announcement. We can finally go back to our land and family.*” Another farmer added, “*Although there is happiness on our faces, our hearts go out to the families of the ones who have lost their lives during this protest. We will never forget how the government treated us and called us ‘andolanjivis’, ‘antankwadis’ and Khalistanis’.*” As told by a respondent who is a member of a farmer union, “*This protest is far from over, we will now work to make Minimum Support Price (MSP) a legit right*”.

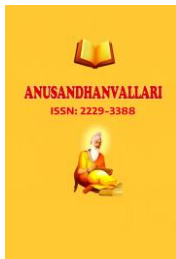
Seventy percent of the consumers were happy with the scrapping of the laws, they told, “*We knew from the beginning that the government would be forced to backtrack its laws. This protest will be remembered by the coming generation for its unity, consistency, and valour. The farmers have set an example for the world to follow.*” On the contrary, thirty percent of consumers dissented from this view and said, “*Repealing these laws is a great setback to the Indian economy, as agriculture is backward and in dire need of such reforms. Future governments will refrain from introducing such reforms in agriculture, and Indian agriculture will die a slow death.*” While all of the commission agents hailed this decision of the government but pointed out, “*This is a very shrewd politically motivated decision of the government as the states of Punjab and Uttar Pradesh, whose farmers were aggressively protesting are poll-bound*” According to them, “*Whatever the reason behind it, this decision has come as a big relief to us; our employment and those working for us are secure for the time being.*”

Table 2: Responses

Laws	Pro			Against		
	F	C	CA	F	C	CA
Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020.	0	35	0	100	65	100
Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020	5	55	10	95	45	90
Essential Commodities (Amendment) Act, 2020	5	20	0	95	80	100
Repeal of the three farm laws	100	70	100	0	30	0

Note: F-Farmers, C-Consumers, CA-Commission Agents

Source: primary survey



5. Conclusion and policy implications

We would be living in an illusion if we believe that everything is hunky-dory with the agricultural marketing system in India. There are several serious concerns, such as an insufficient number of mandis, cartelisation of commission agents, and political interference in market committees. India does need agricultural reforms, but it was the secret drafting and hasty implementation of these laws that aroused resentment in the minds of the farmers from the very first day. The abrupt manner in which these laws were introduced and implemented created doubts among farmers, who believed that these laws were enacted to favour big corporate houses at the cost of poor farmers.

As highlighted by farmers in their interviews, there were several loopholes in the three Acts which could easily be exploited to harm farmers. Farmers feared the scrapping of APMC mandis and the abolishment of the MSP regime. They were further alarmed by their bad experience with contract farming in the past, as they knew they had very meagre resources compared to big capitalists. Commission agents feared the loss of their employment and the possibility of being rendered insignificant after the dismantling of the APMC system; therefore, the repeal of the farm laws was a welcome decision for them.

Consumers were likely to be most affected by the Essential Commodities (Amendment) Act, 2020, and the repeal of the farm laws has evoked mixed reactions among them. Some consumers asserted that the repeal is a step in the right direction, while others believed it to be a setback. Some dreaded unprecedented price hikes due to the deregulation of hoarding limits of certain essential commodities, while others supported the farm laws.

It is important to note that the force with which these laws were opposed by farmers and other stakeholders showcases their sheer mistrust of the government. It is in the hands of the government how it rebuilds trust with farmers and other stakeholders. Indian agriculture is in dire need of reforms on multiple fronts, but these reforms must be introduced through proper channels by taking the concerned parties into confidence. The states should be given due consideration when enacting any such laws, and federalism should be built into the reform process.

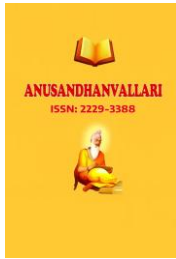
All in all, these Acts did not offer what farmers needed, such as guaranteed prices, a level playing field, and empowering regulation of the state over stakeholders, prices, and transactions. While the repeal of the farm laws may appear to be a lost opportunity to some, it has sown the seeds of hope that future agricultural reforms will be implemented in consensus with farmers. In the theoretical aspect, the present study makes valuable additions to the literature pertaining to farm bills and agrarian policy in India.

6. Limitations and scope for future research

The sample considered in the present study is limited, as there were financial and time constraints. Further, the study is based on the Punjab state only, and a comprehensive survey of the whole country will provide a clearer picture. Also, studies can focus on studying the problems of agricultural markets in India, the falling income of the farmers and the emerging relevance of unions in farming.

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