

How agri market system can benefit small farmers

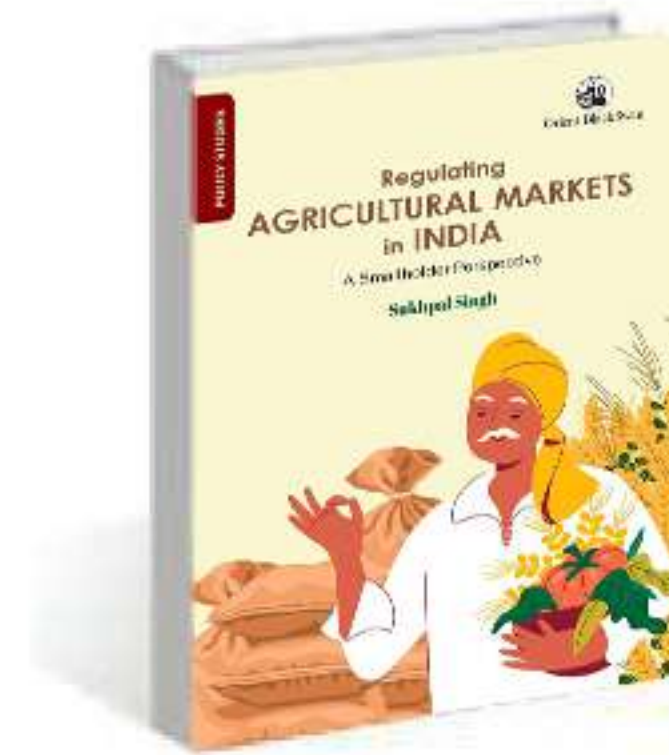
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THE book makes a valuable contribution to the literature on some engaging and contemporary issues of the agriculture sector, especially from the small farmers' perspective.

Spread over seven chapters, the book is largely based on the recent papers/articles and lectures by agro economist Sukhpal Singh. Agricultural Produce Market Committee (APMC) Acts and the contract farming legislations of the Union as well as state governments; the farm laws of 2020 (repealed in 2021 under the pressure of a year-long, sustained agitation by the farmers on the borders of Delhi) and the issue of legal status to the minimum support price (MSP) are the main focus of the book. Besides a detailed discussion, it also gives a comprehensive critique.

Based on his own work and that of some other scholars, the author emphasises that the existing marketing system and the agri laws in India are not serving the interest of small farmers and that they are largely excluded from the MSP regime as well.

Though the author is of the view that the reforms in the Indian agricultural sector, especially in the marketing domain, have been overdue, he does not rule out the strategic relevance of the APMCs, despite the fact



REGULATING AGRICULTURAL MARKETS IN INDIA: A SMALLHOLDER PERSPECTIVE

by Sukhpal Singh.
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that all is not well with their functioning. The book highlights that the enactment of APMC Acts by most of the states in the framework of the Model APMC Act, 2003, of the Union government had already provided a number of alternatives to the APMC by way of direct purchase, private wholesale markets, e-NAM and contract farming, etc. In view of this, the enactment of the 2020 agri laws was not of much relevance, as per the author. The book also questions the Centre's constitutional authority to promulgate new agri laws, agriculture being on the state list.

He is all for promoting contract farming

but is aware that the small farmers are not benefitting from it. The pooling of land by small holders is being provided as a way out to this problem. It is argued that the presence of commission agents (*arhtiyas*) in the APMC must be done away with as has been done by some of the states in India. The book also points out the inner contradictions of the Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017.

The chapter on the two 2020 agri laws [The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, and the Agreement on Price Assurance and Farm Services Act, 2020] critically examines the contradictions between the stated and inherent objectives of the laws, the farmers' perspective and the ground reality. This chapter highlights that the new laws itself became indefensible for various reasons, despite the government claiming and highlighting the benefits thereof.

The issues of state autonomy and the essence of federalism in the context of constitutional rights on agriculture have, however, got scanty space in the book. It has been pointed out that when various reforms were already legislated by the states, what was the need to promulgate new laws and that too through the ordinance route.

The author has tried to build a strong argument for a serious review and revamp of the

MSP-APMC-based open-ended public procurement regime as it has been 'very unfair to some farmers and some states' and mostly benefits a few crops like wheat, paddy and cotton in a few states. Why can't the same argument be used for effective implementation of MSP for all the 23 crops covered under it and thereby strengthen the APMC regime across the country as it can, inter alia, promote crop diversification and also generate revenue for the states? Secondly, one must recall the context in which the MSP-APMC-based public procurement regime was implemented and promoted.

The author's argument in favour of contract farming seems mainly based on the technical and legal flaws in the existing laws on contract farming, and not taking into account the farmers' perception and the inherent implications thereof. One may also differ with all those studies building an argument against legal status to MSP.

There is a strong logic that, in the long run (had the two new laws been implemented), the private *mandi* would prevail upon the APMCs and the MSP is bound to get diluted if not completely eliminated. Given the fact that 'MSP is a reference or a floor price', it must be on the scene in the larger interest of farmers and food security of the country.

The book would be a very useful read and reference material for researchers, policymakers, farmers' leadership and the media.