



A STUDY ON RECENT POLICY REFORMS IN AGRICULTURE PRODUCE MARKETING

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ABSTRACT

The government of India promulgated three ordinances on-farm reforms and successfully passed through the parliament that has a far-reaching effect in terms of structurally transforming Indian agriculture. The study focused on the impact of new farming reforms brought by the central government on the farmers and the economy. The data majorly has been collected from secondary sources such as newspapers, journals, websites of various governmental and private institutions. The Indian food industry is poised for huge growth, increasing its contribution to the world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The recent emerging Information Technology (IT) and Bio-Technology, plays an important role in the rapid economic growth and social transformation in developing countries. The study found that the issues like incompatibility of poor farmers and the smart corporates unregulated free markets. The issues like MSP and exploitation in the name of contract farming etc., need to be sorted by the government while implementing new agri-reforms.

KEYWORDS: *Agriculture Produce, APMC, Agri-business, MSP, farmers-protest*

1. INTRODUCTION

Agricultural Sector is the backbone of the rural Indian economy around which socio-economic privileges and deprivations revolve and any change in its structure is likely to have a corresponding impression on the existing structure of social equity. The government of India had first, promulgated three ordinances that have a far-reaching effect in terms of structurally transforming Indian agriculture. Later, the same was replaced by bills in Parliament that have been passed by both houses. Besides that, a model agricultural reforms act with more or less the same provisions, was sent to state governments with a request to act on them. While some states have enacted these provisions, and many states kept them pending due to different political ideologies. Though the constitution of India enshrines agriculture as a state subject, the center appears to have taken overriding provisions of the constitution to use its power under the first schedule to regulate interstate trade and commerce to bring in these reforms.

Various policy papers suggest that the Indian agricultural sector faces resource constraints, infrastructure constraints, institutional constraints, technology constraints, and policy-induced limitations. To achieve sustainable agricultural development, it is essential to combine natural resources, capital resources, institutional resources,

and human resources to optimally utilize the agricultural resources. The recent emerging Information Technology (IT) and Bio-Technology, plays an important role in the rapid economic growth and social transformation in developing countries. It is noteworthy that Information Technology and Bio-Technology, the key drivers of globalisation with their complementarities of liberalisation, privatisation. The Intellectual Property Rights (IPR) a new by-product of the privatisation is equally risky to create new problems for marginalised and small farmers who are large in numbers in the Indian Agricultural sector. The paper focuses on studying various issues in this regard.

2. OBJECTIVES OF THE STUDY

The study wishes to focus on the following objectives

- i) To understand the reforms brought by the central government
- ii) To find various aspects related to the farmers' bills
- iii) To assess the issues related to farmer's bills

3. DATA COLLECTION

The data majorly has been collected from secondary sources such as newspapers, journals, websites of various governmental and private institutions. Due to the wider subject, the data required from various



sources across the country and the world. The perceptions of people from various standpoints have constituted a basis for the present study.

4. OVERVIEW OF MARKETING OF AGRICULTURE PRODUCTS

Agriculture is a “state subject” and a primary sector which accounts for about 27% of GDP, 65% of the labour force, and 21 % of total exports, the Central Government implements agricultural resources development schemes under both central sector and centrally sponsored sector. These schemes generate voluminous information, both spatial and non-spatial, related to agricultural resources, using conventional, remote sensing, and GPS technology. Before independence, the major concern of the Government policy related to agricultural marketing was to keep the prices of food for the consumers and agro-raw materials for the industry in check. However, after independence, the need to protect the interest of farmers and to provide them with incentive prices to augment the production of agricultural commodities was also felt. Further, problems of local money lenders extorting high amounts of food grains from the farmer, at throwaway prices, as interest were common throughout the country.

4.1. Impact of Economic Reforms Process on Indian Agricultural Sectorii

The agricultural sector is the mainstay of the rural Indian economy around which socio-economic privileges and deprivations revolve, and any change in its structure is likely to have a corresponding impact on the existing pattern of social equality. No strategy of economic reform can succeed without sustained and broad-based agricultural development, which is critical for raising living standards, alleviating poverty, assuring food security, generating a buoyant market for expansion of industry and services, and making a substantial contribution to the national economic growth.

4.2. Typical Properties of Indian Agricultural System

India is primarily an agricultural-based society where the people live in rural India more than 75 percent and their main occupation are on the farming and rearing of cattle since from the ages. Moreover, the country was exploited in many respects under the rule of foreigners for centuries. Now India has the following characteristics.

Small and fragmented land-holdings: The seeming abundance of net sown area of 141.2 million hectares and total cropped area of 189.7 million hectares (1999-2000) pales into insignificance when we see that it is divided into economically unviable small and scattered holdings. The average size of holdings was 2.28 hectares in 1970-71 which was reduced to 1.82 hectares in 1980-81 and 1.50 hectares in 1995-96. The size of the holdings will further

decrease with the infinite subdivision of the landholdings.

Seeds: Seed is a critical and basic input for attaining higher crop yields and sustained growth in agricultural production. Distribution of assured quality seed is as critical as the production of such seeds. Unfortunately, good quality seeds are out of reach of the majority of farmers, especially small and marginal farmers mainly because of exorbitant prices of better seeds.

Manures, Fertilizers, and Biocides: Indian soils have been used for growing crops over thousands of years without caring much for replenishing. This has led to depletion and exhaustion of soils resulting in their low productivity. The average yields of almost all the crops are among the lowest in the world. This is a serious problem that can be solved by using more manures and fertilizers.

Irrigation: Although India is the second-largest irrigated country in the world after China, only one-third of the cropped area is under irrigation. Irrigation is the most important agricultural input in a tropical monsoon country like India where rainfall is uncertain, unreliable, and erratic India cannot achieve sustained progress in agriculture unless and until more than half of the cropped area is brought under assured irrigation.

Lack of mechanisation: Despite the large scale mechanisation of agriculture in some parts of the country, most of the agricultural operations in larger parts are carried on by human hand using simple and conventional tools and implements like a wooden plough, sickle, etc.

Soil erosion: Large tracts of fertile land suffer from soil erosion by wind and water. This area must be properly treated and restored to its original fertility.

Agricultural Marketing: Agricultural marketing continues to be in a bad shape in rural India. In the absence of sound marketing facilities, the farmers have to depend upon local traders and middlemen for the disposal of their farm produce which is sold at a throw-away price.

Scarcity of capital: Agriculture is an important industry and like all other industries it also requires capital. The role of capital input is becoming more and more important with the advancement of farm technology. Since the agriculturists' capital is locked up in his lands and stocks, he is obliged to borrow money for stimulating the tempo of agricultural production.

5. ESTABLISHMENT OF AGRICULTURAL PRODUCE MARKETS COMMITTEES (APMCS MANDIS)

Recognizing the defects like losses to the farmers in terms of undue low prices, higher costs of marketing and considerable physical losses of the produce in the agricultural marketing system which



the farmers had to face, the Government, to establish a mechanism to monitor the market conduct, introduced from time to time several mandatory regulations. Regulation and development of primary agricultural produce markets were taken up as an institutional innovation and construction of well laid out market yards was considered as an essential requirement for regulating the practices in primary wholesale markets.

APMCs operate on two principles:

1. Ensure that farmers are not exploited by intermediaries (or money lenders) who compel farmers to sell their produce at the farm gate for an extremely low price.
2. All food produce should first be brought to a market yard and then sold through auction.

Each state which operates APMC markets geographically divides the state. Markets (*mandis*) are established at different places within the state. Farmers are required to sell their produce via auction at the *mandi* in their region. Traders require a license to operate within a *mandi*. Wholesale and retail traders (e.g. shopping mall owners) and food processing companies cannot buy products directly from a farmer.

Some of the salient features of the APMC Model Act 2003 are as follows

- a. Facilitates contract farming model.
- b. Special market for perishables.
- c. Farmers, private persons can set up their market.
- d. Licensing norms relaxed.
- e. Single market fee.
- f. APMC revenue to be used for improving market infrastructure.

However, not all states have passed the bill. Some states have passed but neither framed rules nor notified it. Thus, inter-state barriers continue. Further, Union Budget 2015 proposed to create United National Agriculture Market with the help of the state Government and NITI Ayog.

6. ELECTRONIC NATIONAL AGRICULTURE MARKET (eNAM) FOR PAN-INDIA

Electronic National Agriculture Market (eNAM) is a virtual marketplace with a physical market place which also frequently called "*mandi*" a Hindi term equivalent to the physical market place) at the backend, founded in April 2016 by the agriculture ministry of India. It is networking the existing APMC/ *mandis* to create a unified national market for agricultural commodities for Pan-India electronic trading. *Mandis* handle huge volumes of farm produce. eNAM provides quick quality assaying solutions (preferably within a minute/ parameter) to promote online trading.

ⁱⁱⁱA total of 585 wholesale regulated markets/Agriculture Produce Market Committee

(APMC) markets have been so far integrated with the electronic national agricultural market (eNAM) platform. The connected APMC markets belong to 16 states and 2 UTs, which have carried out requisite reforms in their state APMC Act, stated minister of state for agriculture and farmers' welfare ministry Gajendra Singh Shekhawat in the Rajya Sabha on 4th January 2020.

For APMC markets and *mandis* to be connected with eNAM, their corresponding states have to first carry out three marketing reforms in their APMC Act. These are a single point levy of *mandi* fee, unified trade license valid across all *mandis* of the state, and provision of e-auction facilities.

After carrying out these reforms, the states are required to nominate their wholesale regulated markets for integration with the eNAM platform based on the state's priorities, which are then considered by the Centre for integration.

"States/UTs, which either do not have marketing regulation or have one which is not in force, must identify institutions with legally enforceable guidelines, which will develop the appropriate physical infrastructure and put in place facilitative provisions required for e-trading on eNAM platform including registration of traders/farmers.

The agriculture ministry had earlier also collaborated with Invest India, *Villgro*, and *Qualcomm* to organise the Agriculture Grand Challenge. Launched on December 15, 2017, the challenge consisting of 12 key problem statements aimed to promote the development of a quick grading and assaying solution for eNAM that can also be connected to the internet to increase the efficiency of the agricultural chain.

Shubham Sharma and Tanya Singh,^{iv} The debate over the farm bill 2020 has generated more heat than light. Farmers across Punjab, Haryana, and Kerala are majorly protesting against the first two bills related to trade & commerce and assurance of price. The farmers' protection is also getting support from various political parties like Congress, AIADMK, TMC, RJD, SAD, BSP, etc. The opposition parties have collectively called it a "sell-out to corporate interests".

Imagine a situation where is the basic necessity of life (one that we call food, shelter, clothing) is circumvented by the government, what havoc and disturbance it can bring in society. One thing we as a society needs to understand here is that the farmers act as a fundamental backbone of our Indian economy. And in this pandemic where everyone is struggling with their problems, the farmers were the ones who kept on producing, cultivating basic crops for running the economy and successfully transporting them to *mandis*.



Now, after recent privatization by our government the concept of “*mandis*” and “minimum support prices” has been removed. This removal is not only going to impact farmers but also state revenue that was primarily coming from those *mandis*, this could be one of the reasons why many opposition parties are condemning these bills from the start. Apart from this farmer also fears that the removal of MSPs from the former farmer and agriculture bill will minimize their capacity and strength of bargaining with big companies. A farmer is allowed to sell their product to anyone and anywhere according to their own convinces but farmers fear that they won't be having such adequate knowledge to negotiate the best terms with private companies.

This fear of losing their basic income arising out of that land can't be truer when there is no such provision and discussion relating to any dispute resolution mechanism in these three bills. Many people have called it the “era of draconian laws” be it the industrial labour act to this present day discussed bill relating to farmers. The issue is that maybe a few farmers find these bills attractive in the beginning but in the end, when they will be not given the proper opportunity to negotiate the desired price, they won't have a backup option either.

7. TRENDS IN INDIAN AGRICULTURE AND FOOD INDUSTRY

The Indian food industry is poised for huge growth, increasing its contribution to the world food trade every year due to its immense potential for value addition, particularly within the food processing industry. Indian food and grocery market is the world's sixth-largest, with retail contributing 70% of the sales. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India, and is ranked fifth in terms of production, consumption, export, and expected growth. In India, agriculture is the major occupation for about 58% of people. Gross Value Added (GVA) by agriculture, forestry, and fishing was estimated at Rs. 19.48 lakh crore (US\$ 276.37 billion) in FY2020 (PE). Growth in GVA in agriculture and allied sectors stood at 4% in FY2020. Essential agricultural commodities export for the April-September period of 2020 increased by 43% to Rs. 53,626 crores (US\$ 7.3 billion) over Rs. 37,397 crores (US\$ 5.1 billion) in the same period last year.

During the 2019-20 crop year, food grain production was estimated to reach a record of 295.67 million tonnes (MT). In 2020-21, the government of India is targeting food grain production of 298 MT. Production of horticulture crops in India was estimated at a record 320.48 million metric tonnes (MMT) in FY2020 as per second advance estimates. India has the largest livestock population of around

535.78 million, which translates to around 31% of the world population. Milk production in the country is expected to increase to 208 MT in FY21 from 198 MT in FY2020, registering a growth of 10% y-o-y. Sugar production in India reached 26.46 MT between October 2019 and May 2020 sugar season according to the Indian Sugar Mills Association (ISMA). India is among the 15 leading exporters of agricultural products in the world. Agricultural export from India reached US\$ 38.54 billion in FY19 and US\$ 28.93 billion in FY20 (till January 2020). The organic food segment in India is expected to grow at a CAGR of 10% during 2015-25 and is estimated to reach Rs. 75,000 crores (US\$ 10.73 billion) by 2025 from Rs. 2,700 crores (US\$ 386.32 million) in 2015.

8. INVESTMENTS IN FOOD PROCESSING INDUSTRY

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 9.98 billion between April 2000 and March 2020. FACT, the oldest large scale fertiliser manufacturer in the country, crossed the one million production and sales mark. Nestle India will invest Rs. 700 crores (US\$ 100.16 million) in construction of its ninth factory in Gujarat. In November 2019, Haldiram agreed to Amazon's global selling program to E-tail its delicacies in the United States. In November 2019, Coca-Cola launched 'Rani Float' fruit juices to step out of its trademark fizzy drinks. Two diagnostic kits developed by the Indian Council of Agricultural Research (ICAR) - Indian Veterinary Research Institute (IVRI) and the Japanese Encephalitis IgM ELISA were launched in October 2019. Investment worth Rs. 8,500 crores (US\$ 1.19 billion) have been announced in India for ethanol production. India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructures such as irrigation facilities, warehousing, and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

9. POTENTIALITY OF INDIAN AGRI-PROCESSING INDUSTRY TO MEET THE WORLD

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control



Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits. The agri-export from India is likely to reach the target of US\$ 60 billion by the year 2022.

10. DISCUSSION ON PROSPECTS AND PROBLEMS OF NEW FARM ACTS

The new farm Bills can transform the agriculture sector for the better if attention is paid to five key initiatives, which include universal basic income through DBT mode

Nearly three decades ago, India set out to radically improve the lives of its poorest citizens. Thanks in large part to the liberalisation, privatisation, and globalisation reforms in 1991, the country has managed to lift 30 crore Indians out of poverty. The President has given his assent on the three farm Bills: Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020, Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020 and Essential Commodities (Amendment) Bill, 2020.

Reforms: Earlier, a turmeric farmer from, say, Ankapur Village of Telangana could legally sell her produce only in the Nizamabad Agricultural Produce Market Committee (APMC), a government-regulated agri-market. Traders facilitate such transactions, charging their commission and market cess also known as *mandi* tax.

In reality, though, almost 65 percent of the produce was sold illegally outside the APMC. With the reform Bill, farmers have the extra option to legally sell their products anywhere in the country, to any party. So, a turmeric farmer could sell her produce to BigBasket in Delhi for example, without any *mandi* tax or trader commission, at a mutually agreed-upon price. The farmer and the outside party can contract with ease.

Concerns: First, the Bill does not specify that the contract price should be above the Minimum Support Price (MSP) declared by the government. It is feared that without mandating that contract prices be above the MSP, APMCs will slowly be priced out as farmer families choose to contract with third parties. Traders may become irrelevant as agri-trading companies might set up their markets.

Governments will lose *mandi* tax, which is a major source of revenue for states like Punjab and Haryana. Bihar failed in 2006 when APMCs were dismantled, resulting in farmers facing challenges in selling their produce at a good price. So, it is argued by those against the Bills that MSP be guaranteed and *mandi* tax levied even for non-APMC sales.

Second, according to Bill, companies are not required to have a written contract with the farmer, making it difficult for farmers to prove terms. Coupled with the fact that there is no required MSP

and that contracts need not be registered with the government, farmers will be in a weak position to fight corporations, if anything goes wrong.

Reforms: Since the passage of the Essential Commodities Act, the government has heavily regulated the role of agri-business companies and traders in hoarding the produce. Despite India losing a third of the agri-produce post-harvest, businesses found it difficult to devise solutions to decrease that loss, mainly due to the regulation.

Governments had restrictions on hoarding on food commodities and could seize any excess stocks maintained by the traders. Now with the new Bill, such regulation is diluted. Besides farmers and farmer collectives, agri-businesses and traders can manage post-harvest facilities without such interference by the government.

Concerns: The reform Bill may result in corporations dominating the agri-business. Farmers may earn less and consumers may pay more due to private hoarding. Some critics argue that the government should build large storages and processing capacities to prevent a corporate takeover.

MSP breeds incentives among farmers to grow MSP supported paddy and wheat even in water-scarce regions like Punjab. The government should buy at a minimum price whatever is sold to them. Then the grains are hoarded in the Food Corporation of India warehouses, where more than a third of the stock gets wasted.

The government should allow markets to determine the prices based on demand and supply, without needless interference. But MSP should continue in its current form, till markets show us that they can deliver results for the farmers, even without the MSP.

APMCs are a perfect example of cronyism. In our work at Kheyti,^v we learned that farmers' most preferred buyer is supermarket chains, not APMCs. Traders are unhappy with this reform because the creation of alternative markets means their political connections are no longer relevant. For APMCs to stay relevant, they should become more competitive and transparent. They should add value to the farmer, instead of merely resorting to coercion. Start-ups like *Ninjacart* and *Waycool* are already proving a win-win model by reaching tens of thousands of horticulture farmers.

State governments, particularly in Punjab and Haryana, are unhappy losing *mandi* tax. Imposing such tax on non-*mandi* transactions goes against the spirit of the regulation.

The agri-reforms represent a fundamental change in the philosophy from the socialistic ideology of problem-solving to the one that is neo-liberal. Chakravarthi Rajagopalachari, who was called the 'wisest man in India' and 'Gandhi's Conscience Keeper', always believed in maximum individual freedom and minimum interference by the



state. These reforms are largely Gandhian. Real freedom includes freedom from government interference. These reforms are a step in that direction. As the government lifts restrictions on farmer families, those farmers will have more options.

In the best-case scenario, these reforms will allow farmers to get good prices for their produce at the farm gate. Farm advisories will create better crop planning and troubleshooting. Climate protected farming will reduce the business risk of agriculture. The reduced business risk will encourage insurers to insure crops.

When inflows become more reliable, farm loans can become more accessible. Food may travel fewer kilometers before reaching the point of consumption. The traceability of products can become a reality. The consumers and the planet will be happy. Farming will become profitable. Farmers will be happy. So, it will be a win-win proposition for all.

10.1. Supporting Views of New Farm Acts

They have the power to sell their fruits or vegetables to anyone, and anywhere. It is this power that is the foundation of their growth, now the same power has been given to farmers across the country. They have got the freedom to sell not only fruits and vegetables but grains, sugarcane, mustard, and anything that they grow, they can now sell to anyone and anywhere they like. The Centre has taken the steps to ensure that farmers get the right price for their produce. The government has taken steps to ensure that the farmers get the right price for their produce. The farmers will benefit from it. But some people are trying to mislead the farmers. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, seeks to give freedom to farmers to sell their produce outside the notified APMC market yards (mandis). The government says this is aimed at facilitating remunerative prices through competitive alternative trading channels. The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020, seeks to give farmers the right to enter into a contract with agribusiness firms, processors, wholesalers, exporters, or large retailers for the sale of future farming produce at a pre-agreed price.

The Essential Commodities (Amendment) Act, 2020, seeks to remove commodities like cereals, pulses, oilseeds, onion, and potato from the list of essential commodities and will do away with the imposition of stock holding limits.

10.2. Criticism On New Farm Acts

^{vi}Agriculture falls in the State List, and hence many argue that the Centre should not be making legislation on this subject at all, as that will compromise on the state's ability to Tax and Regulate the agriculture sector. The APMC bypass

Bill is the most controversial. This bill assumes that private players don't exist today and the APMC is a monopoly. That is a flawed assumption. Private players look to the APMC for a reference price to conduct their transactions. Now through these bills, trying to create an alternative that's outside the APMC, which is on advantageous terms where you don't have to pay mandi fees or taxes. A system of Arhatiyas or commission agents facilitates procurement, and link roads connecting most villages to the notified markets and allowing farmers to easily bring their produce for procurement. Farmers fear that encouraging tax-free private trade outside the APMC mandis will make these notified markets unviable, which could lead to a reduction in government procurement itself. Most of the slogans at the farmers' protests revolve around the need to protect MSPs, or minimum support prices, which they feel are threatened by the new laws. Farmers are also demanding that MSPs be made universal, within mandis and outside so that all buyers government or private will have to use these rates as a floor price below which sales cannot be made.

10.3. The Protests Against New Farm Acts-Reasons

A majority of farmers who may stand to gain from further decisions proposed by the new legislation may not support the old system. On the other hand, in 'mandis' the bills are likely to affect influential 'commission agents' (known as 'Arhatiyas' in Punjab and Haryana) who don't want to lose their control over farmers. Due to the 'Mandi Tax' loss, a decent source of revenue, the state governments of Punjab and Haryana will be most affected. The 'arhatiyas' would also lose not only their commissions but also their traditional business, officials have explained. Why does the Arhatiyas system continue to flourish? Arhatiyas remain powerful figures in the rural landscape. Each agent has between 20 to 200 farmers; whose crops he sells. The government is dependent on arhatiyas, who provide fans, weighing machines, labour to short-staffed government agencies. Arhatiyas are also moneylenders who fund farmers for both cropping operations and personal and social requirements. For many farmers, borrowing from the arhatiyas, whom they know personally, is easier and more convenient. Farmers think that a bank has unfamiliar procedures, impersonal service, and unfamiliar officials for borrowing. Farmers also claim that if the arhatiyas system is finished, private financiers will step in, and take away our land entirely. Since the previous functions as informal bankers without collateral within the times of need, Arhatiyas and farmer relations are close. But the legislation, the governing body said, did not fully do away with the system and added an alternative instead. The worries of dismantling the MSP system were wrong.



The issues and concerns presented by the protesters include the end of the 'minimum support price' (MSP) scheme in due course, the irrelevance of the 'mandis' of the state-controlled Agricultural Produce Market Committee (APMC), the possibility of losing land rights under the rule of contract farming, reduction in farm product prices due to the dominance of the market by large agro-businesses and the exploitation of farmers by large contractors by contract farming provisions.

11. CONCLUSIONS

The agri-reforms represent a fundamental change in the philosophy from the socialistic ideology of problem-solving to the one that is neo-liberal. Though the constitution of India enshrines agriculture as a state subject, the central government appears to have taken overriding provisions of the constitution to use its power under the first schedule to regulate interstate trade and commerce to bring in these reforms as part of "one nation-one market". The recent emerging Information Technology (IT) and Bio-Technology, plays an important role in the rapid economic growth and social transformation in developing countries. The experts who are wanting reforms believe that the newly passed farm acts will improve India's agricultural sector, trusting the government seems to be the real hurdle for the country's farmers. Whereas, a section of conservative experts worried that without strong institutional arrangements, the free market may harm lakhs of unorganised small farmers, who have been remarkably productive and moved up the economy even during pandemic situations.

The government said the bills would boost the sector of agriculture. This will also raise the income of farmers, the center said. In fact, by 2022, the government had also promised double farmers' income, and the Centre said the new farm acts will make the farmers stable of government-controlled markets and bring them a better price for their goods. The acts propose the establishment of a scheme in which farmers and traders may sell their goods outside the *Mandis*. Besides, it also encourages intra-state trade and this implies reducing transport costs. Also, the acts offer a basis for agreements that enable farmers to engage with agri-business companies, retailers, service exporters, and the selling of products while giving farmers access to modern technology. It also provides benefits to small and marginal farmers with a land area of fewer than five hectares. The said acts would also delete commodities from the list of important goods such as cereals and pulses and attract FDI.

The Farmers in some states were worried about the new farm acts. They are concerned about getting their product's minimum support price (MSP) that is previously assured in government-regulated APMCs. The poor farmers are also apprehensive

about the dominance in negotiations of profit-oriented agri-businesses and big retailers. They feel that this will place them at a disadvantage. They also suggest that the price will be dictated by the companies and the benefits for small farmers will decrease due to incompatible business engagement with corporates.

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