

A Study on Recent Agricultural Market Laws

Dr. Arifa Begum

Associate Professor

Al-Qurmoshi Institute of Business Management College, Hyderabad

Abstract

Agriculture is the one of the most important sectors of the Indian economy. Integrated agricultural market laws are required for a successful agriculture sector. A variety of Agro-based companies and Agro-services rely heavily on the growth and development of agriculture and related sectors for their raw materials, which has a direct impact on the general public's well-being, rural prosperity, and employment. The primary goal of the Indian Constitution's implementation of agricultural regulations will be to safeguard farmers' interests. The study aims to critically examine the recent reforms undertaken by Indian agricultural market. The research concludes that the three regulations will weaken the role of major, regulated wholesale marketplaces on which they rely to sell their produce and make it simpler for giant agribusinesses to interact directly with farmers in an uncontrolled setting where they are more powerful.

Keywords: Agricultural Laws, APMCs, Indian Constitution, Regulatory Policies

I. Introduction

Agricultural marketing is a process that starts with choosing a marketable agricultural product and includes, depending on technological and economic factors, all aspects of the business's operations, the market's layout, or the method, including, for example, the assembly and classification of pre- and post-harvest activities, collection of these activities, transportation, or delivery. Focus shift to market-driven production Opportunities in the agriculture industry have also expanded as a result of economic development, urbanization, open trade policies, and consumer awareness of safe and high-quality food. Farmers are anticipated to take advantage of these expanded chances by reorienting their businesses from production- to market-oriented agriculture in order to boost their income.

The Constitution's State List includes agriculture. In order to protect farmers from being taken advantage of by big retailers and to ensure that the farm to retail price spread does not rise to unreasonably high levels, state governments in India established the Agricultural Produce Market Committee (APMC), a marketing body. States have the authority to regulate APMCs by passing the Agriculture Produce Marketing Regulation (APMR) Act.

APMCs run on two guiding principles:

Make sure that farmers aren't taken advantage of by middlemen (or money lenders) who force them to sell their produce at the farm gate for a pittance.

All food products should be delivered to a market yard before being auctioned off. In order to divide the state geographically, each state that runs APMC markets (mandis) places its markets in various

locations within its border. Farmers are obligated to conduct an auction sale of their produce at the local mandi. To conduct business inside a mandi, traders need a license. Produce cannot be purchased directly from a farmer by wholesale and retail dealers (such as owners of shopping malls) or food processing businesses.

II. Review of Literature

Gopikuttan and Naik (2020) critically examined the Deregulation of agricultural markets in India. The study argues that deregulation in the absence of enabling pre-conditions are unlikely to generate favorable outcomes for farmers, they may turn counterproductive. Mekhala Krishnamurthy (2021) highlights two significant changes in protest and law, as well as the resulting paradoxes and dynamics. The first is the transfer of regulatory authority and opposition from the states to the federal government; the second is that farmers, not traders, are leading demonstrations against market reforms and in support of regional, state-regulated markets. Hassan and Vardhan (2020) briefly explained the three agricultural laws. The study concludes that India's agricultural exports are expected to reach \$60 billion by 2022 according to the 2018 Agricultural Export Policy. Chatterjee (2021) concludes that agricultural laws are made to connect agri-food supply chain participants with farmers directly, minimizing dependency on conventional intermediaries, in order to build a unified national market.

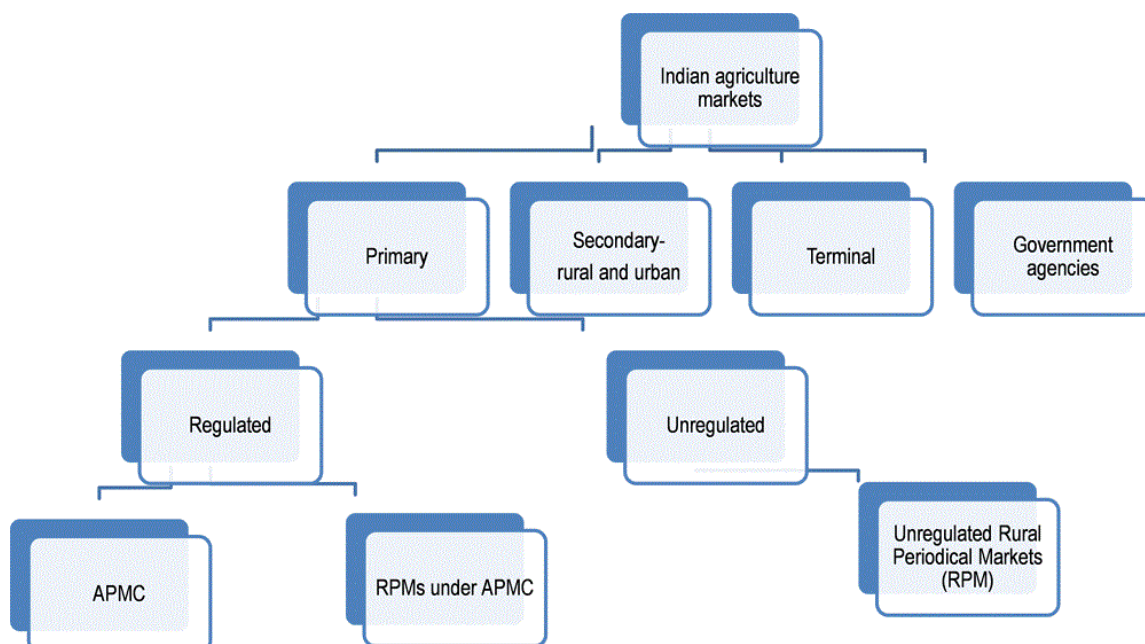
III. Objective of the Study

To study the recent agricultural marketing laws implemented by the Indian Government.

IV. Methodology

The study consists of secondary source, data is collected from various newspapers, magazines, agricultural websites.

V. Types of Agricultural Markets



1. Local or primary markets are held once or twice a week in the vicinity of a village. They are called Hatts and Shandies. In India, there are more than 22,000 of these markets. Most farmers

sell their agricultural products in these markets. About half of the surplus that is sold in these markets is offered. The Panchayats village, which organizes these markets, charges certain businesses for the occupied space. Hackling and negotiating are frequent occurrences in these economies. The settlement of Bania acts as a middleman in several markets.

2. **Secondary Markets:** Also known as "mandis" or "gungs", they are frequently referred to as wholesale or assembly markets. There are any 4145 of these markets. These markets are perpetual, and they are regularly used throughout the year. The production is massive, and trained operators are needed to operate the different utilities. Logistics, management, and financial services are available, and the markets are well served by the road and rail networks. Numerous middlemen operate in these fields.
3. **Terminal Markets:** Markets that serve as terminals deliver goods to retailers, end consumers, or processing facilities. The outcome is these markets. These markets may be found in large cities or in ports. Their operational area encompasses a region.
4. **Fairs:** In India, pilgrimage Centre's are important sites for the sale of agricultural goods. County officials, state governments, or private organizations hold these fairs every year. There have been some well-known fairs in Bhar, W. Bengal, UP, Orissa, Maharashtra, Gujarat, and Rajasthan.
5. **Regulated Markets:** These were created by the government to keep an eye on unlawful activities that traders typically engage in on both primary and secondary markets. The laws and legislation governing these industries are prescribed by the government's marketing strategies.
6. **Cooperative Marketing:** In these economies, cooperation is the order of the day. A massive army of middlemen and intermediaries is replaced by a mutual selling society, which directs farm produce to clients.
7. **State Trading:** In India, state trading of agricultural goods has grown to be an important marketing element. At harvest time, state organizations like the Food Corporation of India set up their own exclusive Centre's in and around villages and mandis to purchase crops from farmers for the state at set prices.

VI. Overview of Indian Agricultural Market Law

The Indian government passed the following new rules in September 2020 (after introducing them in June 2020) to support improvements in the nation's agriculture marketing and commodities trading. "In a word, the three policy reforms done by the central government through the three new acts are in keeping with the changing times and requirements of farmers and farming", reads a policy paper by the government think tank Niti Aayog. They will advance Indian agriculture to new heights and bring about the transformation of the rural economy if they are carried out in the correct spirit. Three new agricultural laws that are meant to modernize India's national farm produce markets are as follows:

- The Essential Commodities (Amendment) Act of 2020 eliminates the constraints on food storage and gives farmers freedom to grow, store, move, distribute, and supply food. Food grains, pulses, edible oils, and onions can now be traded, with the exception of unusual emergency circumstances.
- The Agriculture Produce Marketing Committees (APMCs), which required farmers to sell their produce to government-licensed agents at specific market places (mandis), are intended to be loosened by the Farmers' Produce Trade and Commerce (Promotion & Facilitation) Act 2020, which also encourages a barrier-free trade by allowing farmers to sell their produce to other buyers outside of these mandis. The Act also suggests developing a platform for computerized

trading transactions. A large corporation moved into our region and gave farmers excellent terms for the first two years. Payment was fast. However, the corporation bought significantly less in the third year and rejected the majority of the dividend. It didn't require anything in the fourth year. If you support these methods, the commission brokers will eventually disappear, and farmers will become victims of big agribusinesses. When there is such a large power imbalance and farmers have limited negotiating strength, contract farming does not genuinely increase options, according to Singh (a farmer).

- The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act 2020 establishes a national framework for farming contracts (contract farming) that: protects and empowers farmers to engage with agribusiness firms, processors, wholesalers, exporters, or large retailers for farm services and sale of future agricultural produce at a mutually agreed-upon price, by entering into direct contracts; and enables farmers' access to modern technology and resources. Farmers worry that the minimum support price (MSP), a price guarantee established by the central government to buy particular crops directly from farmers, may vanish; however, the government disputes this. Farmers want the MSP to be legally guaranteed. Contract farming is linked to contract violations, an increase in labour displacement, casualization of the labour force, the employment of child labour and low-paid women employees, as well as the spread of monoculture for quick profits. "Any legislation pertaining to contract farming should address these issues.

VII. Conclusions

From the study we can conclude that laws are made to connect agri-food supply chain participants with farmers directly, minimizing dependency on conventional intermediaries, in order to build a unified national market. The three regulations will weaken the role of major, regulated wholesale marketplaces on which they rely to sell their produce and make it simpler for giant agribusinesses to interact directly with farmers in an uncontrolled setting where they are more powerful. The Central government has established a committee to advise on future actions on numerous agricultural issues, including improving the efficiency and transparency of the Minimum Support Price (MSP). One hopes that the planned committee would examine the farm industry thoroughly, including the desire to make the MSP regime lawful, and offer appropriate recommendations. With implications at the state and federal levels, the Indian government has undertaken a number of policy initiatives in the area of agricultural marketing, with a primary focus on enhancing marketing effectiveness, better farmer participation, price assurance, the availability of better alternatives, scale of operations, participation of private players, transparency, and increased levels of competition. Farmers must be made aware of these projects through the extension system, and they must be encouraged to benefit from the opportunities presented.

References

1. Gopikuttan and Naik (2020). Deregulation of agricultural markets in India. IIMB-WP, No. 631.
2. Mekhala Krishnamurthy (2021). Agricultural market law, regulation and resistance: A reflection on India's new 'farm laws' and farmers' protests. *The Journal of Peasant Studies*, 48 (7), 1409-1418.
3. Hassan and Vardhan (2020). Agricultural law in India: Overview. Legal Indian Law Service.

4. Chatterjee (2021). Agricultural reform in India: Farmers versus the state. *The lancet Planetary Health*, 5 (4), E187-E189.
5. Madhu Sharma (2021). *The Future of Indian Agriculture, Down to Earth*.
6. Chand Ramesh (2017). *Doubling Farmers Income – Rational, Strategy, Prospects and Action Plan*. NITI Policy Paper No. 1/2017. National Institute of Transforming India, Government of India.
7. <https://www.icar.org.in/>