

PUNJAB VIDHAN SABHA

BILL NO. 33-PLA-2020

**THE FARMERS' (EMPOWERMENT AND PROTECTION)
AGREEMENT ON PRICE ASSURANCE AND FARM SERVICES
(SPECIAL PROVISIONS AND PUNJAB AMENDMENT)**

BILL, 2020

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further to amend and add special provisions in the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, in its application to the State of Punjab, with a view to restore the agricultural safeguards for the farmers of the State of Punjab ensured through the regulatory framework of the Punjab Agricultural Produce Markets Act, 1961 (Punjab Act No. 23 of 1961), in order to secure and protect the interests and livelihood of farmers and farm labourers as also all others engaged in agriculture and related activities.

WHEREAS the Central Government has enacted the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (Central Act No. 20 of 2020), (hereinafter referred to as the "Central Act") to provide a new regime for trade and commerce in agricultural produce;

AND WHEREAS the direct consequence of this Central Act would be to introduce several other infirmities and distortions operating to the grave detriment and prejudice of agriculture and communities associated with it in the execution of agreements between farmers and traders or buyers;

AND WHEREAS the Central Government has also introduced a mechanism through these Central Acts that is vulnerable to encroachment and manipulation by vested corporate interests leaving the farmer open to the vagaries of market forces for getting an optimum price for agriculture produce, fruits and vegetables;

AND WHEREAS as per the Agriculture Census 2015-16, 86.2 percent of the farmers own less than five acres of land and a majority of them own less than two acres of land falling in the category of small and marginal farmers and consequently have limited or no access to multiple markets with an inherent handicap of bargaining power to negotiate fair-price contracts, hence, requiring

proper protection by the State Government to ensure a level playing field, prevent exploitation and an optimum guarantee of fair market price for the agriculture produce;

AND WHEREAS this is the primary and principal responsibility of the State Government but the Central Act fails to take into account this imperative object of the Constitution of India;

AND WHEREAS agriculture, agricultural markets and land is the primary legislative domain of the State falling under entries 14, 18 and 28 of List II – State List given in the Seventh Schedule to the Constitution of India; and 'production, supply and distribution of goods' is also a State Subject under entry 27 of List II - State List read with entry 33 of List III - Concurrent List given in the Seventh Schedule to the Constitution of India;

AND WHEREAS the Legislature of the State of Punjab is enacting the present Act to protect the interest of farmers, farm labourers, those engaged in ancillary and incidental activities relating to production, sale and marketing of agricultural produce as also consumers and for adherence to the minimum support price mechanism through the existing structure under the Act of 1961;

BE it enacted by the Legislature of the State of Punjab in the Seventy-first Year of the Republic of India as follow: -

Short title,
extent and
commencement.

1. (1) This Act may be called the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services (Special Provisions and Punjab Amendment) Act, 2020.
- (2) It shall extend to the whole of the State of Punjab.
- (3) It shall come into force on and with effect from the date of its publication in the Official Gazette.

Definitions.

2. (1) In this Act, unless the context otherwise requires,-
 - (a) "Minimum Support Price" means the price announced for crop purchases by the Central Government in consultation with the Commission for Agricultural Costs and Prices insofar as it relates to wheat and paddy alone;
 - (b) "prescribed" means prescribed by rules made under this Act; and
 - (c) "State Government" means the Government of the State of Punjab in the Department of Agriculture and Farmers' Welfare.
- (2) Words and expressions used but not defined in this Act but defined in the Central Act, shall have the same meaning respectively assigned to them in that Act.

3. In the Central Act, in its application to the State of Punjab, in section 1 for sub-section (2), the following sub-section shall be substituted, namely:-
 Amendment of section 1 of the Central Act 20 of 2020.
 "(2) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint."
4. No sale or purchase of wheat or paddy shall be valid unless the price paid for such agricultural produce under a farming agreement is equal to, or greater than, the Minimum Support Price announced by the Central Government for that crop.
 Minimum Support Price.
5. In the Central Act, for section 19, the following section shall be substituted, namely:-
 Substitution of section 19 of Central Act 20 of 2020.
 "(19) In addition to the remedies available under the provisions of Power of the Central Act, the farmers shall also have the civil Court discretion of approaching the civil court or availing any etc. other remedies available to them under the existing laws."
6. In the Central Act, for section 20, the following section shall be substituted, namely:-
 Substitution of section 20 of Central Act 20 of 2020.
 "20. The provisions of this Act, shall have overriding effect Punjab Act notwithstanding anything inconsistent therewith contained to have in any other law for the time being in force or any other overriding instrument having effect by virtue of any law for the time effect being in force."
7. (1) Notwithstanding any judgment, decree, or order of any court or any other instrument or any other law inconsistent therewith, status quo as on the 4th day of June, 2020 shall be maintained qua the provisions of the Punjab Agricultural Produce Markets Act, 1961.
 Special provisions of the State of Punjab.
- (2) All notices issued by the Central Government or any authority on its behalf under the provisions of the Central Act, shall be deemed to have been suspended and no punitive action shall be taken against any person for violating the provisions of the Central Act.
8. Notwithstanding anything contained in any other law for the time being in force, if any person or company or corporate house or any other association or body of persons, whether incorporated or not, compels or exerts pressure on a farmer or any person associated with agriculture or agro-produce to enter into a contract or sell agricultural produce in his possession, at a price below the Minimum Support Price (MSP), then such person shall be deemed to have
 Punishment for harassment of farmers.

committed an offence which shall be punishable with a term of imprisonment of not less than three years and fine.

Levy of fee on trade carried outside the markets.

9. Notwithstanding anything inconsistent with the Central Act,-

(1) the State Government may, from time to time notify a fee, which shall be levied on a corporate trader and/or on the electronic trading and transaction platform for trade and commerce in a trade area outside the markets established and regulated under the Punjab Agricultural Produce Markets Act, 1961.

(2) The fee leviable under sub-section (1) shall go towards the fund for the welfare of small and marginal farmers.

Power of State Government to give directions.

10. The State Government may, from time to time, issue such directions to the authorities as it may deem fit, for giving effect to the provisions of this Act and it shall be the duty of all the authorities to comply with such directions.

Power to make rules.

11. The State Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

STATEMENT OF OBJECTS AND REASONS

The Parliament has passed, the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (hereinafter referred as the "Central Act") to provide a new regime for new agreements relating to trade and commerce in agricultural product.

The direct consequence of this Central Act would be to introduce several other infirmities and distortions operating to the grave detriment and prejudice of agriculture and communities associated with it in the execution of agreements between farmers and traders/ buyers.

The Central Government has also introduced a mechanism through these Central Acts that is vulnerable to encroachment and manipulation by vested corporate interests leaving the farmer open to the vagaries of market forces for getting an optimum price for agriculture produce, fruits and vegetables.

As per the Agriculture Census 2015-16, 86.2 percent of the farmers own less than five acres of land and a majority of them own less than two acres of land falling in the category of small and marginal farmers and consequently have limited or no access to multiple markets with an inherent handicap of bargaining power to negotiate fair-price contracts hence needing proper protection by the State Government to ensure a level playing field, prevent exploitation and an optimum guarantee of fair market price for the agriculture produce.

This is the primary and principal responsibility of the State Government but the Central Act fails to take into account this imperative and this object of the Constitution of India.

The agriculture, agricultural markets and land is the primary legislative domain of the State falling under Entries 14, 18 and 28 of List-II of Seventh Schedule of the Constitution of India; and 'production, supply and distribution of goods' is also a State Subject under Entry 27 of List-II read with, Entry 33 of List-III of Seventh Schedule of the Constitution of India.

**THE FARMERS' (EMPOWERMENT AND PROTECTION)
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(SPECIAL PROVISIONS AND PUNJAB AMENDMENT) BILL, 2020**

aims to protect the interest of farmers, farm labourers, those engaged in ancillary and incidental activities relating to production, sale and marketing of agricultural produce as also consumers and for adherence to the minimum support price mechanism through the existing structure of APMCs.

It also aims to restore the agricultural safeguards for the farmers of Punjab including Minimum Support Price mechanism ensured through the regulatory framework of the APMC laws in order to secure and protect the interests and livelihood of farmers and farm labourers as also all others engaged in agriculture and related activities.

AMARINDER SINGH,

Chief Minister, Punjab.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Section 11 of The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services (Special Provisions and Punjab Amendment) Bill, 2020 empowers the State Government to make rules to carry out the purposes of this Act. The powers sought are necessary for the proper implementation of the provisions of the Act and are normal in nature.

**CHANDIGARH
THE 20TH OCTOBER, 2020**

**SHASHI LAKHANPAL MISHRA
SECRETARY.**

N.B. - The above Bill was published in the Punjab Government Gazette (Extraordinary), dated the 20th October, 2020 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).