



BRIEFING PAPER ON FARMERS' ISSUE IN INDIA

ISSUE:

Laws (known as the three Farm Bills) have recently been introduced in India that have eroded the already fragile protection afforded to small farmers;

The fundamental right to go to Court on contractual disputes, under Articles 6 and 7 of the Universal Declaration of Human Rights (UDHR), has been taken away from farmers;

The Indian government is trying to throw the farmers to the 'market' and remove protection as well as the small subsidy that enables small farmers to survive the ups and downs of the market; and

Farmers feel that they will be pushed into bankruptcies and lose their lands.

CURRENT FARMING:

Around 126 million Indians are small farmers; Around 70% of Rural Households depend on Agriculture for their livelihood; and around 86% of farms in India are small or marginal;

Subsidy in India takes the form of 'Minimum Support Price' also called MSP for 22 crops;

MSP is recommended by the Commission for Agriculture Costs and Prices and decided by the Department for Agriculture and Cooperation, Govt of India; MSP ensures that the farmer gets a minimum price for the produce, irrespective of the market. It is calculated with all costs, such as fertilizers, diesel fuel prices, labour costs etc...;

The **National Food Security Act 2013 (NFSA 2013)** specifically obliges the Indian central government to enact legislation that will advance India's food security by introducing specific provisions on protecting the rights of small farmers; bringing in land reforms; developing irrigation systems and providing remunerative prices, power and crop insurance.

CURRENT MARKET:

The **NFSA 2013** also helps to promote decentralised procurement by bringing in storage, movement and procurement interventions; These are called Mandis. They serve a large group of farming villages each. They exist in 4 of the most intensive farming states (provinces) of India;

The Markets are run by small traders who buy the produce. They sometimes arrange for the crop to be collected from farmers. The trader currently takes a 7% commission; The Government ensures that the farmers get MSP; The produce is then distributed by the State or other major traders; The Government also ensures that traders don't hoard the produce to exact high retail price from consumers.

ENVIRONMENT:

Unlike CAP (EU Common Agriculture Policy) the Government does not offer any subsidy or incentive to farmers to put aside land for environmental protection.

WHAT IS BEING CHANGED:

The Government wants to introduce large scale farming through the backdoor by forcing out small farmers. It is removing the small protections that farmers get;

The Government wants to take out the Mandis (sub regional markets) and small traders. Which will make it extremely difficult or impossible for farmers to transport their produce;

The Government has removed any reference to MSP in the Three Farm Bills. The Prime Minister is telling farmers, 'trust me, MSP will remain'. However, nothing regarding MSP has been codified into legislation or national policy directives;

The Government is going to let large traders negotiate and buy products directly from the farmers;

Under the three Farm Bills it is not mandatory for a company to make a written contract with the farmer for any contract farming. So, even if the company violates the terms of the contract, the farmer cannot prove it;

The Government has legislated that a dispute between a small farmer and large national trader cannot be taken to court but instead must be arbitrated by a local Government official; and

The Government will allow the traders to buy land from the small farmers when they go bankrupt.

FARMERS CONCERNS:

Farmers are concerned that they will be pushed into debt;

That the Government officer charged with arbitration will most likely be corrupt and therefore influenced by large traders to find in their favour and/or against the small farmers; and

That small farmers will be forced to sell their land to the larger traders or mega farms.

PREVIOUS PROPOSALS

Farmers have previously urged the Indian Govt to implement the far reaching 2006 Swaminathan Report in order to bolster India's overall food security and reduce the alarming number of rural farmer suicides. For instance, the Report made several recommendations including but not limited to the proposal that MSP should be at least 50% more than the weighted average cost of production. However, no positive action was ever taken.

CONCERNS:

Millions of small farmers are scared that they will be forced into poverty;
Formal Employment in India is very low with only 10% of Indians in any sort of meaningful regular employment;
Farming as a way of life will disappear and large mega farms will take over the countryside; and
Environmental damage caused by for example the mass use of commercial pesticides will significantly increase. Which will lead to nearly irreversible soil damage etc...

INTERNATIONAL PERSPECTIVE:

Almost all farming around the world is subsidized in one form or another. For instance, 70% of farms in EU are small farms; 90% of farms in the USA are categorised as small farms; 90% of farms in China are categorised as small farms; and 80% of farms in Africa are categorised as small subsistence farms. Therefore, the EU, USA, Canada and China all have protections in place for small farming.

INTERNATIONAL NORMS:

In 2020 the World Bank committed \$5.8 million USD to supporting agriculture and small farmers around the world. World Bank also helped to provide 7.2 million small farmers with agricultural assets and services and has improved the irrigation and drainage systems on 986,000 hectares of agricultural land utilised by small farmers;

The FAO's most recent policies call upon international governments to recognise the central role that small subsistence farms play in agricultural innovation and global food security. For instance, FAO's policies specifically state that international government must enact legislation and policies that promote and protect small farmers in order to comply with their obligations under the UN SDGs; and

The ILO considers rural workers to include small farmers as defined in article 2 of Rural Workers' Organisations Convention (No 141). It calls for social coverage to be important to avoid poverty. It stresses removal of the exclusion of rural workers from the scope of national laws and regulations. For instance, by ensuring constant information flows between buyers and suppliers, and encouraging transparent setting of price ceiling and floors.

WHAT ARE FARMERS DOING:

After several requests for a meeting with the Government and sit ins in their respective states (provinces), farmers have now started one of the biggest peace agitation in India. Farmers have started large sit ins in Delhi and blocked some highways going in and out of Delhi. Furthermore, Stephane Dujarric, a Spokesman for the UN Secretary-General Antonio Guterres has recently come out in support of the protests by affirming that India's small farmers '*...have a right to demonstrate peacefully and [the Indian] authorities should let them do so*'.

WHAT DO FARMERS WANT:

The farmers are now demanding the Prime Minister give more than words;
The Farmers are demanding that MSP be introduced into legislation;
The Farmers are demanding better subsidies to protect the environment.
The Farmers are demanding that they have same rights as every citizen and be able to go to court in case of contractual disputes.

FARMERS REQUEST TO THE WORLD:

Farmers request you to investigate the implications of the new legislation for farming as a way of life;
Farmers request you to remind India of its obligations;
farmers request you to support the Farmers agitation in India;
Farmers request you to support their demand to be treated equal to all citizens and have access to courts in case of disputes; and
Farmers request you to support their right not to be pushed into poverty.
Please contact shrg@shrg.net for further information

For the full text of the three Farms Bills please visit the following web links:

- (1) http://164.100.47.4/BillsTexts/LSBillTexts/PassedLoksabha/113_2020_LS_Eng.pdf for the **Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill 2020**;
- (2) http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/111_2020_LS_Eng.pdf for the **Essential Commodities (Amendment) Bill 2020**; and
- (3) [http://164.100.47.4/BillsTexts/LSBillTexts/PassedLoksabha/Bill%20Farmers%20%20Empowerment%20\(As%20passed_Eng\).pdf](http://164.100.47.4/BillsTexts/LSBillTexts/PassedLoksabha/Bill%20Farmers%20%20Empowerment%20(As%20passed_Eng).pdf) for the **Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill 2020**.