



Right to Food Campaign

(Secretariat)

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Right to Food Campaign The Three Farm Bills are Against Farmers and Food Security for All We urge the President to not endorse them!

The Right to Food campaign stands in solidarity with the farmers' organisations across the country that have been protesting against the three farm bills that were passed in Parliament in an undemocratic manner, without proper discussion. These bills will have serious implications on the well-being of farmers as well as food security, hunger and malnutrition. The provisions of the National Food Security Act 2013 (NFSA 2013) that aims to ensure food security for all, has been completely ignored by the government while presenting these three bills in the Parliament. Schedule 3 of the NFSA 2013 states that the government should make provisions for advancing food security through measures that protect rights of small and marginalized farmers by bringing in land reforms, developing minor and small irrigation systems, providing remunerative prices, power and crop insurance. It also includes provisions for procurement, storage and movement related interventions that will help in promoting decentralised procurement. These three farm bills provide a completely different vision where the state's role in procurement will reduce and the market is opened up for corporate interests without any protective regulation. It is shocking that in times of COVID19 pandemic when the rights of citizens, children, women, farmers and workers should be protected even more, the Union Government is introducing such legislations. It is also unacceptable that no dialogue has been done with any of the state governments before introducing the bills and they have been passed in the Parliament although the Constitution of India lists agriculture as a state subject.

In the pretext of giving farmers greater freedom to decide to whom and where they sell their produce, the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 basically undermines the APMC mandis. This completely ignores that small and marginalized farmers have limited capacities to sell their produce anywhere in the market, since they cannot afford the transportation cost and also because they have to repay loans to creditors. They have little bargaining power if they have to individually deal with big corporates, whose profits this Bill seems to be facilitating. While the seller has to pay tax for selling foodgrains in the mandi, it is tax free to sell in the open market. It can be expected that in order to save taxes most of the produce will be sold outside the mandi making the mandis unviable as they will not have any revenues. This could eventually lead to the closure of mandis and would affect the whole system of foodgrain procurement at MSP. Even though only few farmers manage to sell at MSP, it plays an important role in price discovery and signalling. Due to the presence of many buyers and traders in the mandi there is competition in the price because of which the farmers are benefited. Although the government has said that the Agricultural Produce Market Committee (APMC) will not be closed, this is not written anywhere in the legislation. It would have been better if under this legislation all crops were brought under the purview of Minimum Support Price (MSP) to ensure economic security to farmers.

The Farmer (Empowerment and Protection) Agreement of Price Assurance and Farm Bill, 2020 gives legal sanctity to contract farming. According to this, farmers can enter into a contract with

agribusinesses firms, wholesalers and private companies for sale of future farming produce at a pre-agreed price. This is also a measure that will benefit big corporate houses more than the farmers, as individual farmers lack resources and capital to bargain on equal terms with them. This Bill doesn't solve the problems related to informal contract agreements of sharecropping and tenancy that are widespread in the country. Because of this ordinance, the farmer will become a labourer on his own land. This will also create environmental challenges, as big companies are likely to exploit the natural resources of the area in order to make profits. This bill takes away the rights of the state governments to permit for contract farming. It also does not provide farmers the right to receive MSP for their produce, and this will bring imbalance in food grain prices.

The Essential Commodities (Amendment) Bill, 2020 is also equally dangerous as it removes any limit on the quantity of foodgrains that can be stocked allowing big traders to hold huge stocks to make profits at times of price rise. Traders can now hoard any quantity of potatoes, onions, food grains, oilseeds and create a false shortage of commodities and then sell it at high prices. In the past we have seen many such examples in the country because of which not just farmers are at a loss but the consumers also have to pay a high price. As per this Amendment Bill government will only consider thinking about deciding on a limit for hoarding, when the price of perishable items and food grains will rise by more than 100 percent and 50 percent respectively. It is strange that the government is bringing in legislation restricting itself. Over 80 crore people in India depend on the Public Distribution System. It is very clear that all these provisions are against the system of public distribution and these bills will push this important social security programme towards closure.

We therefore make the following demands:

- The Right to Food Campaign opposes all these three farm bills passed by the Parliament and urges the President of India to not give his approval to these bills.
- The Right to Food Campaign believes that the Union Government instead of protecting the rights of farmers by giving appropriate price for farm produce, strengthening Mandis and ensuring a system of MSP in all places is pushing 75 crore Indians dependent on agriculture towards an uncertain life and livelihood.
- The Campaign demands that the Union Government increases the MSP for agriculture produce to 150 percent of cost, backed by the law. There should be special arrangements to buy farm produce at MSP from women farmers.
- The Campaign also demands that the government should develop mandis at every block level under the decentralized procurement system. Facilities of storing foodgrains should be made available at the village and panchayat level and purchase of agriculture produce from small and medium farmers should be prioritized.
- Coarse grains, pulses and edible oil should be made legal entitlements under the public distribution system and must be procured at MSP.
- The Food Corporation of India (FCI) was created to save Indians from hunger. Despite the additional grains being provided as part of covid relief, the additional budgetary provision for FCI in the supplementary budget is only Rs.10000 crores. This continuous underfunding of the FCI weakens it and has been pushing it into huge debt. We demand that the Government of India should provide adequate budget to strengthen the system of FCI and should ensure that private companies and corporates should not interfere in the functioning of FCI, as has been done recently for storage facilities with Adani Logistics.