A COMPARATIVE STUDY OF THE FARMERS' UZHAVAR SANTHAI' IN TAMIL NADU AND RECENT CENTRAL 'FARMERS' AMENDMENT BILLS, 2020

Written by ***Prof. Dr. D.Nagarathinam D***

Principal, Theni Kammavar Sangam College of Technology, Tamil Nadu, India

ABSTRACT

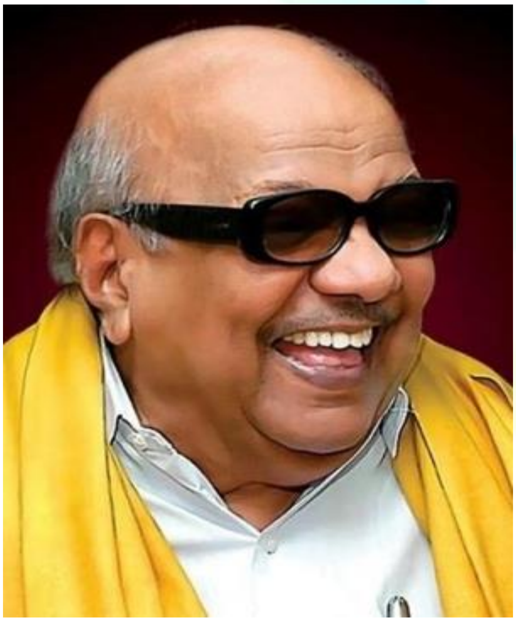
Uzhavar Santhai also called Agricultural Market is a place where the farmers can sell his products such as vegetables, cereals, oil seeds, fruits, to consumers without any agent or middlemen. Since, there is no involvement of middlemen the beneficiaries are farmers as well as the consumers. This Uzhavar Santhai scheme was introduced in 1999 at Tamil Nadu by the chief minister of Tamil Nadu K.Karunanidhi for the welfare of the farmers [1, 2, 3].

The Essential Commodities Act (ECA) was enacted in the Parliament in 1955 was enacted with a main objective to prohibit hoarding and black marketing of essential commodities which may obstruct the supply and have an adverse effect on the normal life of the people. Now the Centre has brought in three Bills namely — the 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. The former relates to production and purchase of the farm produce and the later relates to selling / trading the produce in the market. During September 2020, the Parliament passed the Essential Commodities (Amendment) Bill, 2020. This Act, 2020 aims to end the monopoly of Agriculture Produce Market Committees (APMCs) in carrying out the trade for farmers' product in the country. This paper presents a comparative study of the Uzhavar Santhai scheme in Tamil Nadu and the recent central farmers Agricultural Bill, 2020.

Keywords: Uzhavar Santhai, Tamil Nadu, Parliament, Agricultural Bills 2020, Mandis, Farmers'agitation.

INTRODUCTION TO UZHAVAR SANTHAI 1999 (FARMERS' MARKET) IN TAMIL NADU

Agricultural marketing is a method of buying and selling of agricultural products or agricultural commodities or agro-based products from producer to consumers. The Uzhavar Santhai is also called as Farmers' Market or Mohana Santhai, a scheme of the government of Tamil Nadu was introduced in 1999. The farmer's "Uzhavar Santhai" is considered to be the innovative scheme in which direct selling of farmers product such as fruits and vegetables by farmers to consumers without any intermediaries [1-3]. The first Uzhavar Santhai at Madurai was inaugurated on 14.11.1999 by the Tamil Nadu chief minister K.Karunanithi to promote direct contact between farmers and consumers in the Indian state of Tamil Nadu. Throughout Tamil Nadu 103 Uzhavar Santhais were opened in the year 1999-2000. At present a total of 179 Uzhavar Santhais are functioning throughout Tamil Nadu. In Puducherry steps were taken for farmers to sell their products at Uzhavar Santhai at the old bus stand and Lawspet in 2020 [4].



Uzhavar Santhai – an Innovative Scheme of K.Karunanidhi in 1999.

INTRODUCTION TO FARMERS' AMENDMENT BILLS, 2020 (6, 7)

The central government aim for the introduction of the bill is based on the concept of "One India, One Agricultural Market". The main aim is to open the gates for farmers to the corporate world and to create additional trading opportunities beyond the APMC (Agriculture Produce Market Committee) market yards to help farmers to get remunerative prices due to additional competition.

India is considered as a global agricultural country and Agriculture is an important sector of Indian economy as it contributes about 17% to the total GDP. India is the world's largest producer of milk next to Denmark, pulses, and spices. Among all the countries, India is considered as one of the largest producers of rice, wheat, cotton, sugarcane, farmed fish, sheep & goat meat, fruit, and vegetables. The agriculture provides employment to over 60% of the population. In India 70% of Indian families are depending on rural income.

The Parliament passed three Bills. These three bills are known as The Agricultural Bill, 2020 has received backlash by the farmers particularly in Punjab and Haryana.

The prices of essential commodities are dependent on various diversified uncontrolled factors and therefore there was a need for such an enactment. Essential Commodities Amendment Bill 2020 *gave powers to the central* government to *"control production, supply, distribution, etc. of essential commodities"*. Based on the Agricultural Bill amendments certain edibles such as cereals, pulses, oil seeds, edible oils, potato - can be regulated only under extraordinary circumstances, like price rise, war, famine, etc.

PURPOSE OF APMC MANDIS

In order to give the provisions for agricultural product, the state govt. had taken several initiatives so that farmers may get a better price for their produce. Agricultural Product Market Committees (APMC) Act was made to protect the farmers from being exploited by moneylenders and *zamindars*. The farmers can access to these mandis for better regulation of buying and selling of their produce through the middlemen or *Angadias. Regulated market acts as a common forum to farmers and it* played a major role in the green revolution during the

1960s. *It helps to ensure that farmers are not exploited by money lenders or Zamindars. Farmers product first be* brought to a market yard and then sold through auction.

IV. Farmer's Amendment Act, 2020 (6, 7):

In India around 60% of the population depends directly or indirectly on agriculture. India is basically an agricultural country and most of the farmers are poor. For the welfare of the agricultural sector of the country, there surely was a need for regulations in it. The Modi government has amended the ECA bills which are assumed to be beneficial to farmers. But the bills are being opposed by them. It makes the situation controversial and lot of rallies are going on in the country against the bills. The Agricultural Produce Market Committee (APMC) mandis were set to protect the farmers from being exploited by moneylenders and powerful zamindars. But it had loopholes of its own. APMCs or it is also called as Mandis are used to operate as an intermediate for the farmers and sold the product by auction. Farmers wanted to sell their produce via auction at the mandis who are having trader license in their region.

During the British period the raw cotton was the first farm produce to attract the attention of the British rulers and the supplies of pure cotton at reasonable prices to the textile mills of Manchester (UK).

FARMERS' PRODUCE TRADE AND COMMERCE (PROMOTION AND FACILITATION) BILL

It seeks to permit farmers to sell their produce outside the APMC *mandis.* Earlier, the APMC Act was made to protect the farmers from being exploited by moneylenders and *zamindars*. The farmers were allowed to use these mandis to sell their produce through the middlemen. The MSP (Minimum Support Price) is the rate at which the government buys grains from farmers. The APMC Act played a major role in the green revolution.

FARMERS (EMPOWERMENT AND PROTECTION) AGREEMENT OF PRICE ASSURANCE AND FARM SERVICES BILL

It grants permission for contract farming. The bill allows "national framework on farming agreements that empowers farmers to engage with agri-business firms, processors, wholesalers, exporters or large retailers for farm services and sale of future farming produce at a mutually agreed 'remunerative price'".

APMC MANDIS [9, 10]

All the state government enjoyed the taxes that apply in APMC mandis and it was one of the major revenues. Moreover, licenses were given to middlemen with shops and warehouses in these APMC mandis, which demanded a lot of capital investment. APMC mandis were often headed by MPs and MLAs who used their power and capital to exploit the poor. Moreover, taxes are mandatory in APMC mandis. In order to escape from taxes no sales slip was given to the farmers. Therefore, the farmers could not prove their exact income to apply for loans. These middlemen/agents earned their commission and often held a monopoly over the market. The recent amendment in the act lets farmers trade their produce even outside APMCs.

In order to bring the reformation in the agricultural, the Government of India has passed three acts. The farmer's acts have an aim for one nation, one market. The ruling party claims that these bills are in the best interest of farmers. The opposition is making it as a protest to protect farmers' rights. The ordinances allow farmers to have monotony over the decision to sell the produce. But this can lead to the privatization of the sector. The corporates would prefer buying the produce outside of APMC mandis. Thus, APMC would collapse as more and more people opt-out of it.

The MSP (Minimum Support Price) applies to crops that are sold in mandis, not outside of it. Now that we have laws, the situation is of the farmer is substandard, imagine the situation outside mandis where MSP doesn't apply. The amendment will increase the exploitation of these farmers by corporate and decrease the MSP ratio.

OPPOSITION FOR FARMER'S BILL

However, privatization would help to establish big companies that would pay taxes to the central government. But, for the state it will be a great loss. The Union Cabinet Minister, Harsimrat Kaur Badal tendered her resignation from the cabinet to show her dissent [10-12]. Opposition parties also fire questions on the new farmer's bill by saying that these bills were against the interests of small and marginal farmers. These three acts led to protests by farmers in Punjab, Haryana and parts of Uttar Pradesh. These three bills have received much dissatisfaction among the farmers majorly in Punjab and Haryana. Farmers across the country taken procession against these bills and insisted to withdraw the ordinances. There has been a lot of agitation against these bills by the farmers all over India and uproar after the Parliament passed three agriculture related bills when the Centre passed three Agricultural Bills. On September 10, the Bhartiya Kisa Union participated in tractor rally with 100 farmers and showed dissent. Initially, it has started in Punjab. Farmers across these states are protesting to take the ordinances back. The agriculture industry contributes to 15% of India's GDP and around 60% of the population depends directly or indirectly on agriculture and its allied sector. The Farmers say that the companies may dictate the price for the farmers' agricultural product and it affect the small and medium farmers. The opposition leader said these bills were considered as three-pronged attack on the Indian agricultural system through two bills on farming – one related to APMC, and the other one is to contract farming and the third bill is on essential commodities. It is considered to be a three-pronged attack on the Indian farmers.

ONE SCHOOL OF THOUGHTS

The goals of these bills are to liberalize the farming sector and to provide the farmers with better options to sell their produce, outside APMC mandis to whoever they want, so that it will be highly beneficial for the farmers. Farmers will get better prices through competition and there will not be any transportation cost which was the idea of these three Bills by liberalization. The farm markets which will make the system more efficient and allow for better price for the farmers. However, this bill will bring the situation that there will not be any mandi fees and commissions. It is important to make sure the farmers are prepared for that. The bill as the current status is can result in farmers having to sell the commodities in much lower price as these big businesses are going to try to increase their profit at any rate even at expense of farmers income.

The centre said that the farmer's bills would transform the agricultural sector and also these bills raise the farmer's income which will make the farmer more independent from the government-controlled markets and fetch them better price for their produce. The bills propose to create a system in which the farmers can sell their purchase outside the Mandis. Further it also increases intra-state trade which will reduce the cost of transportation. The bill does not provide the benefits for the small and marginal farmers who are having less than five hectares of lands. The bill also will remove items such as cereals and pulses form the list of essential commodities which attracts FDI.

ANOTHER SCHOOL OF THOUGHTS [13, 14]:

This act will make a contract to allow farmers to enter into a contract with agri-business firms or large retailers on pre-agreed prices of their produce. The Essential Commodities (Amendment) Act, will remove commodities such as cereals, pulses, oil seeds, edible oils, onion and potatoes from the list of regulated essential commodities and this amendment is expected to attract private investment in the value chain of these commodities whereas, the farmers demand the government to withdraw the ordinances. They want to protect APMCs across the country. The most devastating thing of this bill is that it will end up the MSP minimum support price for the farmers' product. Literally, it directly affects the farmers produce prices in the market. Farmers directly sell their produce to big traders or corporate sector and due to this, traders will have high power to extort farmers. The farmers directly sell their produce to cooperates without agents and due to this, traders have high power to extort farmers. Because of this there will be a highly fluctuation in market and there is no option or alternative available to farmers to sell their produce at appropriate price.

In this price of the produce will be decided by cooperates so there is highly chance for extortion of farmers in market. The amendment will increase the exploitation of these farmers by corporate and decrease the MSP (Minimum Support Price) ratio. It will corporatize the agriculture sector by big companies whose main aim would be to earn profits. Their monopoly would flourish. It will give freedom to cooperate and traders not to farmers because there is No MSP mentioned in this bill so due to this there is no price barrier set in the market. The small and marginal farmers will prey for the corporates in case of price and other market activities. In this price of the produce will be decided by cooperates so there is highly chance for extortion of farmers in market. The equilibrium of the small and marginal farmers was not satisfied because there is no availability of opportunities for them to grow.

CONCLUSION

India is basically an agricultural country and most of the farmers are poor. The agriculture industry contributes to 15% of India's GDP. In India the farmers are the back bone of the country and more than 60 % of the populations are doing agriculture or agricultural related work. The farmers are the back bone of the country and our Indian economy is based on agriculture [17 -20]. The government introduced three bills to promote much easier trade for the farmer's product and to provide a competitive market for the producers outside the existing APMC system. Even today, it is unclear for many farmers about the new bills and how it is going to be useful for them. In our country, there is a freedom to the farmer to sell outside the mandi system. The farmers say that the corporates may dictate the price for their produce [21]. In Tamil Nadu, Uzhavar Santhai was introduced in 1999, to promote direct contact between farmers and consumers. The farmer's Uzhavar Santhai is a scheme which permitted the farmers to sell their product in the open market and the farmer can get full profit without middlemen or brokers in the Indian state of Tamil Nadu. Even today as per the latest report says that the Madurai Uzhavar santhai attracts each day at least 5,000 consumers to buy vegetables and fruits and this scheme is considered to be a successful one [22]. It is concluded that the people are of the opinion that this Uzhavar Santhai scheme is considered to be innovative and it is the service to the society and farmers whereas the farmer's amendment bills 2020 is the service to the farmers and corporates.

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