

## **Problems faced by farmers and its legal solution: An empirical study**

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**Abstract:** India is a global agricultural powerhouse. It is the world's largest producer of milk, pulses, and spices, and has the world's largest cattle herd (buffaloes), as well as the largest area under wheat, rice and cotton. It is the second largest producer of rice, wheat, cotton, sugarcane, farmed fish, sheep & goat meat, fruit, vegetables and tea. However, the farmers in India face many problems. Hence, this research is carried out to study the major issues and problems faced by farmers in India and also the legal solution provided by government to the farmers to overcome those problems. It is found that, the farmers in India are facing many major issues like increasing productivity of land, marketing and distribution of goods, and also the problem of price fixation and negotiation and solve these problems farm laws enacted in 2020 i.e. 1. The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, and 3. The Essential Commodities (Amendment) Act are passed in the parliament. However, it is too early to conclude whether these laws will be helpful to farmers or not.

Keywords: Farm Laws, Problems of farmers, Legal Solution, etc.

### **1.1 Introduction:**

Agriculture plays a key role in India's economy both from the point of view of employment generation as well as its share in Gross Domestic Products. Mahatma Gandhi said, "India lives in villages and agriculture is the soul of Indian economy". Nearly two-thirds of its population depends directly on agriculture for its livelihood. Agriculture is the main stay of India's economy. Since independence, India has made immense progress towards food security. Indian population has tripled, but food-grain production has increased more than quadrupled and thus there has been substantial increase in availability of food-grain per capita. [1]

While agriculture's share in India's economy has progressively declined to less than 15% due to the high growth rates of the industrial and services sectors, the sector's importance in India's economic and social fabric goes well beyond this indicator. First, nearly three-quarters of India's families depend on rural incomes. Second, the majority of India's poor (some 770 million people or about 70 percent) are found in rural areas. And third, India's food security depends on producing cereal crops, as well as increasing its production of fruits, vegetables and milk to meet the demands of a growing population

with rising incomes. To do so, a productive, competitive, diversified and sustainable agricultural sector will need to emerge at an accelerated pace.

India is a global agricultural powerhouse. It is the world's largest producer of milk, pulses, and spices, and has the world's largest cattle herd (buffaloes), as well as the largest area under wheat, rice and cotton. It is the second largest producer of rice, wheat, cotton, sugarcane, farmed fish, sheep & goat meat, fruit, vegetables and tea. The country has some 195 m ha under cultivation of which some 63 percent are rainfed (roughly 125m ha) while 37 percent are irrigated (70m ha). In addition, forests cover some 65m ha of India's land. [2]

## **1.2 Rationale behind the study:**

The recent political scenario of the India has been too heated up, owing to the enactment of three legislative pieces concerning the farm activities in India. Agriculture in India concerns everyone, occupation wise more than half of the Indian population of India is connected with agriculture directly or indirectly and it has approximate 17 % share in GDP of India. However, majority of the farmers in India are suffering from many problems, and to resolve those problems every government comes up with some legal solutions to those problems. It is naturally expected that any major reform in such a hectic economic activity is sure to bring strong reactions from the stockholders. The traditional society of our country is generally less adaptable to reforms. It is not that they are totally averse to any change but it only means that their views about the change of any established norms are, "skeptical". As the discourse is to be zeroed-in about the recent farm laws enacted in 2020 i.e. 1. The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, and 3. The Essential Commodities (Amendment) Act, in the upcoming paragraphs, the researchers shall be presenting a neutral analysis of the pros and cons of the acts. This research is focused on studying the problems faced by farmers and the possible legal solution to the above problems.

## **2.1 Literature Review:**

According to GOYAL, S. & Prabha, & Rai, Dr. & Singh, Shree Ram. (2016), the critical issues that plague Indian agriculture at present are the knowledge deficit and infrastructure deficit, especially in the rural areas. Problems related to irrigation infrastructure, market infrastructure and transport infrastructure add significant cost to farmers' operations. Another issue is lack of delivery mechanisms. There are a number of schemes aimed to bring development in agriculture. We do not have effective delivery mechanisms that can translate into effective facilitation in terms of increasing productivity or decreasing cost or increasing price realization at the ground level. Moreover, inadequate government support exacerbates these issues. Thus, corporate farming could be a solution to Indian agrarian sector, but it needs a deep thinking and innovating better policies so that neither the corporates nor the farmers be at loss. Also the role of central government and state governments needs to be defined clearly as because of being a joint subject, it creates lot of confusion. Eminent experts should do research in this aspect and governments must take a proactive action. Indian agrarian sector in fact requires very innovative ideas for uplifting of this sector. Also, without mechanization, farming is hard and back-breaking work. This has resulted in most farmers' children quitting farming and going for other vocations. Farmers get more money in selling their land to builders, malls and factories. This has put more pressure on farmland, thereby requiring technologies to increase the productivity so that

shrinking farmland can feed billion plus people of India in the future. India, though one of the biggest producers of agricultural products, has very low farm productivity, with the average only 33 percent of the best farms world over. This needs to be increased so that farmers can get more remuneration from the same piece of land with less labour. [3]

According to Tomer, Diwaker & Jayara, Alok. (2021), 05 June 2020, saw an unprecedented event in the history of India. On this day President of India promulgated two ordinances which converted into acts, along with the Essential Commodities (Amendment) Act, 2020. The prime aim of these ordinances, as expatiated by the GOI, is to boost economic activity of the rural India and to improve the economical conditions of the farmers in particular. This exercise was a part of the reforms announced under 'Aatmanirbhar Bharat Abhiyan'. However ever since they have been enacted, it has led to lot of hue and cry among the farmers especially where the Minimum Support Prices implementation has been strong. This strong opposition and the resulting deadlock thereof is the probable outcome of the inadequate understanding and misinterpretations of provisions of the acts. It is therefore, but required that there should be healthy, unbiased discussion regarding its clauses among the all sections of society in general and among the farmers as stakeholders in particular. Through this article it has been our endeavour to put forth an impartial analysis of these acts and to spread succinct awareness to the community at large and enrich their views on the issue. [4]

According to Bhoi B. K. and Dadhich C. L. (2019), agrarian distress in India, built-up over time, has further deteriorated recently. At the height of the farm output, Indian farmers are a disappointed lot. Despite spectacular rise in agricultural production, they continue to languish in poverty. The underlying reasons for agrarian distress in India are: a) unviable agriculture; b) ineffective Minimum Support Prices (MSP) system; c) adverse terms of trade; d) rural indebtedness; and e) inefficient value chain in agriculture. There is a need to provide medium term solutions to the problem so that sub-optimal solution like loan waiver can be avoided. Among available solutions, government procurement operation covering all major crops may not be feasible, while price-hedging mechanism through derivative instruments like forward/future trading in farm products is yet to be popular among farmers. There is a great potential to protect farmers from distress sale through a composite insurance scheme, which can cover risks arising out of both crop failure and market failure. The value chain of agricultural products needs to be completely revamped to integrate farmers directly to the ultimate consumers. Long-term solution of the agrarian distress lies in improving farm productivity by a series of measures like mass irrigation programme through inter-linking of rivers, diversification of agriculture, smart farming by using latest technology. A scheme of exit route for distress farmers may go a long way in alleviating the situation. [5]

### **3.1 Research Objectives:**

- a. To examine the problems faced by farmers in India
- b. To analyse the measures taken by government to solve the problems of farmers
- c. To examine the legal solutions provided to solve the problem of farmers in India.

### **3.2 Research Design:**

In the present research, descriptive research design has been used to describe the problems faced by farmers in India. This research paper also describes the legal support provided to farmers to solve their problems.

### 3.3 Data Collection:

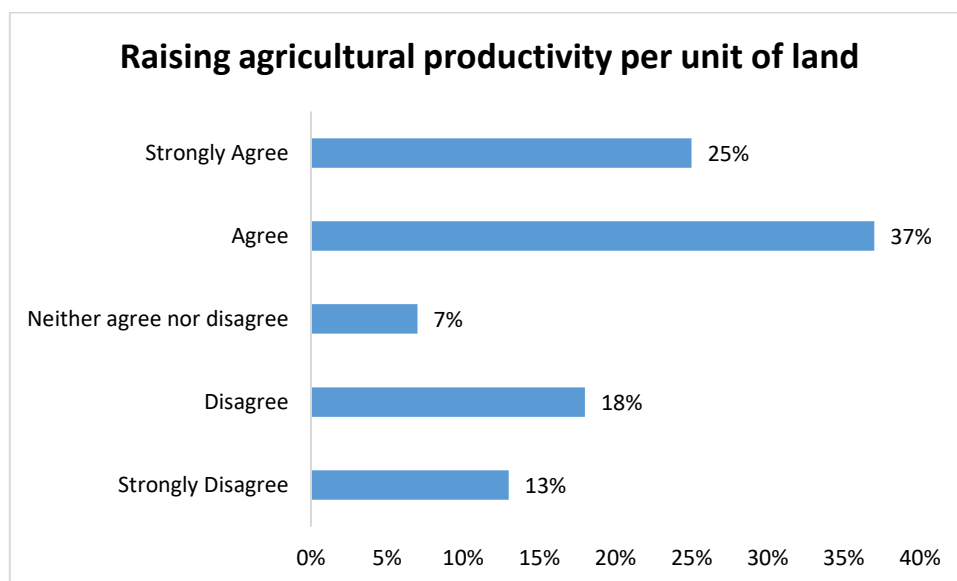
In order to study the problems faced by farmers, this research collects primary data through semi-structured questionnaire distributed to farmers and their family members. The secondary data related to legal solutions provided to farmers is collected from official government websites, journals, magazines, etc.

### 3.4 Sampling technique and sample size:

In the present research, simple random sampling technique has been applied to collect the data from 100 farmers and their family members on the issue of problems faced by them and the legal support received by them.

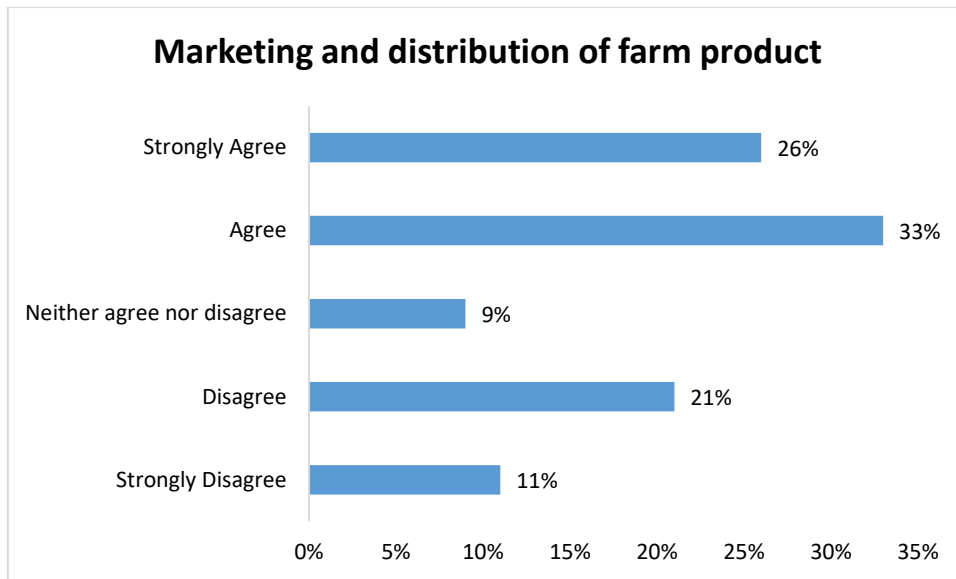
### 4.1 Data Analysis:

In order to study the problems faced by farmers and the legal solutions provided by the government, primary data is collected from 100 farmers and their family members which is presented through following graphs:



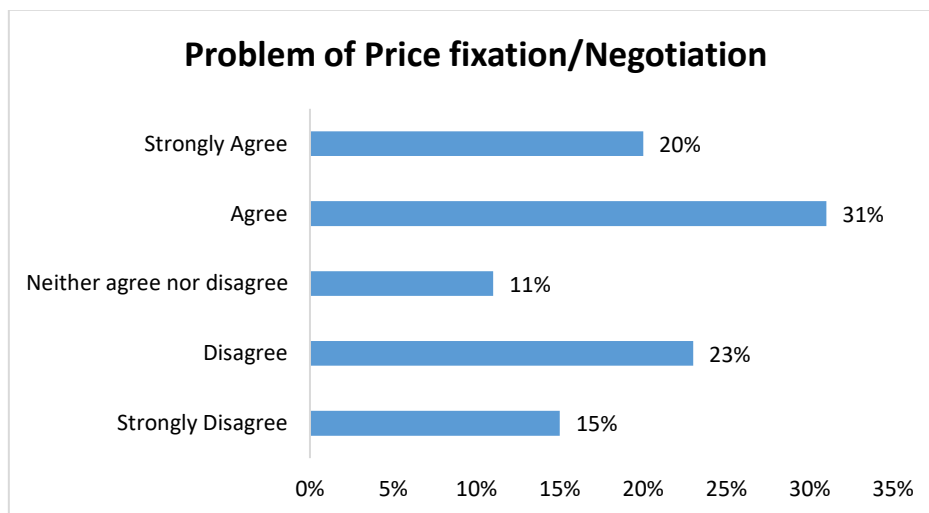
**Fig. 1 Raising agricultural Productivity per unit of land**

The major problem that majority of the farmers i.e. 37% of the farmers of India face is issue of raising agricultural productivity per unit of land. In India, water resources are limited, water irrigation facility is not fully developed, industrialization is increasing, and hence, the measures taken by farmer to raise the agricultural productivity proves to be insufficient. In fact, they get exploited. They have tried many measures like increasing yield, diversifying agricultural farming to higher value crops but all this does not proved to that useful.



**Fig. 2 Problem of Marketing and distribution of farm product**

Another issue which is faced by farmers is the problem of marketing and distribution of their farm product, majority i.e. 33% of the farmers agree to this, which is supported by 26% of the farmers who strongly agree to this. 9% of the farmers neither agree nor disagree to this. However, 21% of the farmers disagree to this and remaining 11% strongly disagree to this.



**Fig. 3 Problem of price fixation/negotiation**

Another problem faced by farmers is the problem of price fixation/negotiation, majority i.e. 31% of the farmers agree that they lack such skill, which is supported by 20% of the farmers who strongly agree to this. 11% of the farmers neither agree nor disagree to this. However, 23% of the farmers disagree to this and remaining 15% strongly disagree to this.

#### **4.2 Legal Solution to problems of farmers**

To provide the legal solution to the problems of farmers. The Government of India has come up with three new amendments in the farm laws in the year 2020.

### **1. The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2020:**

The act was promulgated in the form of ordinance and came into effect on 05th June, 2020. The act is primarily aimed at giving freedom to the farmers to sell their product outside the present Mandis as established under the respective States APMC (Agricultural produce marketing committee). This is aimed at liberalizing and expanding the farmers' capacities and is intended to provide them benefits of free trade.

### **2. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, 2020:**

The act is aimed at giving legitimate status to a farm contract to be entered between the farmers and sponsors. The purpose of the act is to make the farming an assured profitmaking occupation as it is conceived that the sponsors shall contract with the farmers in advance for producing the crop and the price of which shall be agreed upon before the cropping process initiates. This way the farmers shall be able to have assured income and the risk of market which in general parlance called, "Poverty midst adequacy", shall be mitigated.

### **3. The Essential Commodities (Amendment) Act 2020:**

This piece of legislation has been enacted in order to amend the original Essential Commodities Act 1955 and came into force from 05th Jun 2020.

### **5. Conclusions:**

Apart from the basic issues related to farming, the farmers in India are facing many major issues like increasing productivity of land, marketing and distribution of goods, and also the problem of price fixation and negotiation. These problems require special skills to be possessed by the farmers but majority of the farmers in India does not possess such skills and hence suffer losses. To overcome this difficulty, Government of India has introduced new acts in their farm laws 2020, hoping that these laws will help in solving the problem of the farmers in India. However, it is too early to conclude whether these laws will be helpful to farmers or not.

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