

Farmers Empowerment and Protection Agreement on Price Assurance and Farm Services Bill

September 15, 2020

The bill provides a framework for the **protection and empowerment of farmers with reference to the sale and purchase of farm products**. The provisions of the bill will **override all state APMC laws**.

Features of the Bill

- The bill provides for a **farming agreement prior to the production or rearing of any farm produce**, aimed at facilitating farmers in selling farm produce to sponsors. A sponsor includes individuals, partnership firms, companies, limited liability groups and societies.
- Such agreement may be between:
 - . a farmer and a sponsor, or
 - . a farmer, a sponsor, and a third party. The role and services of any third party, including aggregators will have to be explicitly mentioned.
- The agreement may provide for **mutually agreed terms and conditions** for supply, quality, standards and price of farming produce as well as terms related to supply of farm services. State governments may establish a **registration authority to provide for the electronic registry of farming agreements**.
- The farming agreement may be **linked with insurance or credit instruments** under schemes of central and state

governments or any financial service provider. This will ensure **risk mitigation and credit flow** to farmers or sponsors or both.

- Farming produce under a farming agreement will be **exempted from all state Acts** aimed at regulating sale and purchase of farming produce. These products will also be **exempted from provisions of the Essential Commodities Act, 1955** and will not have any stock limit obligations.
- The bill provides that the sponsor will be responsible for all preparations for the timely acceptance of deliveries and will take deliveries within the agreed time.
- The bill requires a farming agreement to provide for a **conciliation board** as well as a **conciliation process** for settlement of disputes. The Board should have a fair and balanced representation of parties to the agreement.
- At first, all disputes must be referred to the board for resolution. If the dispute remains unresolved by the Board after thirty days, parties may approach the Sub-divisional Magistrate for resolution. Parties will have a **right to appeal to an Appellate Authority** (presided by collector or additional collector) against decisions of the Magistrate.