

**Book Reviews**


The non-competitiveness and opaqueness of agricultural markets have always been vital issues for farmers. Recently, its importance was manifested in the year-long protest at Delhi borders the Indian farmers in 2020-21. Both of the market structure and price policies with the Minimum Support Price (MSP) have been instrumental in increasing agricultural production and income of the farmers in India. The book mainly concentrates on developments in agricultural markets. Despite a number of earlier studies by NABARD and MoAFW on agricultural markets as quoted by the author, this book makes a valuable contribution to the literature on agricultural markets, especially after the three farm laws of the Government of India (GOI) in 2020 as repealed in 2021.

The book comprises seven chapters based on the recent papers/articles and lectures by the author Sukhpal Singh, Agricultural Produce Market Committee (APMC) Acts and the Contract Farming legislations of the Union as well as State governments and the farm laws of 2020 (repealed in 2021 under the pressure of a year-long agitation by the farmers). The legal issue of the minimum support price (MSP) is specifically discussed in a separate Chapter.

The introduction in Chapter one gives an overview of the three farm laws by GOI in 2020 and the various other Acts in the last two decades to improve the functioning of agricultural marketing and contract farming. He argues in detail the role of small farmers in India's agriculture especially in the rain-fed and less fertile regions. Then he describes the source-wise income of farmers of different categories based on the Situation Assessment Survey of Agricultural Households in 2018-19, published in the Report of NSSO in 2019. He also portrays the extent of participation by different categories of farmers in APMC and availing of MSPs for various crops across the States of India. Most of the description in the introduction is not related with the contents of the main chapters. It may be to justify the perspective of small farmers in the heading of the book. This chapter also discusses the need for regulating the agricultural markets in general and especially in contract farming.

The origin and implementation of APMC Acts of different states during the 1960s and 1970 and then model APMC Act 2003 and other related Acts are discussed in Chapter 2. The APMC Acts resulted in setting a wide network of APMC markets all over India. However, the author says that the entry barriers due to the definition of trader, domination of APMC and its inability to increase contract farming created a need for changes in it, hence the APMC Model Act 2003 was brought in 2003 which allowed the setting up of private wholesale markets, especially for specific commodities and direct purchases by Contracting agencies and direct payment to farmers. The Model Act 2003 has been implemented by amending APMC Acts by most of the states but according to a study quoted by the author (CUTS 2016), the Act could not control cartelization and interference by state Governments. Moreover, APMC's allowed private markets with harsh conditions to keep their dominance.
Above all, the emerging players in agribusiness, big processors of agro-products, contract farming agencies and big wholesalers are not happy with APMC where they have to incur costs up to 14 per cent for the fees, cess, and commission to arthiyas, loading and unloading and cleaning charges. They were continuously pressing for further decontrol. In this regard, some state Governments like Punjab and Rajasthan enacted contract Acts which did not meet the full demand of the big players. E-NAM has been brought in for an increase in the number of buyers from all over India. However, it has not benefited the farmers, especially small farmers due to the lack of infrastructure for its implementation. Then MoAFW came up with a new model Act; The Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act 2017 which was improved in 2018. It kept purchases by contracting agencies out of APMC fees and the Commission of Arthiyas. But it also gives undue power to State Agricultural Marketing Boards as approving authority for investment in Godowns, storage and farm-input stocking and borrowing. The author is unable to give convincible arguments which pave the way for the new farm-laws-2020,

Chapter 3 exclusively discusses the model contract farming (CF) practices and the Contracting Farming Act 2018 which has been mentioned in an earlier chapter too. He first discusses the role of various types of Contacts, and the advantages of CF especially to small farmers in making them competitive and enabling their access to good seeds, credit, price-assurance and better farming practices. The author opines that the group contract may be part of any Contract as practised for potato crop in Gujarat and Thailand. The Model Contact Act 2018 mentions the family farms only which are small enough to bargain with a company. The FPOs can also contract like farmers whereas, the author desired them as an intermediary. The yield insurance is also desired like the assured price. Service provision in farming operations and post-harvest practices should also be part of the Contract. This 2018 Act does not have the Model CF Agreement which was there in the 2003 Model Act. The Act also provide for payment of only two-third price on delivery and the rest after assessment of quality. Moreover, the Act exaggerates the role of the Marketing Board thus making it more regulatory than facilitating. This Act creates provision for a fee by the CF sponsors which was not in the Model Act 2003. The Act is binding on the contractor to purchase a whole lot which may be impracticable without the quality of the product. Owing to various lacunas the author concludes the Act as inadequate but he has not provided the alternate ideal model.

Chapter 4 discusses the pros and cons of the Farmers Produce, Trade and Commerce (Promotion and Facilitation) Act 2020. The author questions the need for ordinances but he is in a dilemma as he does not refute the 10 reasons given for bringing the Act by Ramesh Chand, the Niti Ayog member. The author cites very low figures of transactions through APMCs thus indirectly diminishing their role. I have argued in an article in the Tribune on 29 September 2020 that tax-free trade areas outside the APMCs and allowing any person with PAN will destroy the APMC structure. But later on, GOI came out with amendments allowing the state government to tax the purchases in the trade areas and also issue licenses for the traders. The author has not discussed the amendments by GOI to seize almost all apprehensions of farmers and the states (Sangwan, 2021). Even seven states passed
resolutions to protest against this Act but none came to give legal status to MSPs of all crops.

Chapter V again discuss contract farming in the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, one of the three Acts brought by the Union Government through ordinance in 2020. It should have been discussed in Chapter 3 itself for the continuity of the issue. The author wrangles on technical and legal flaws of various terms and the usual apprehension of farmers, though the SC Committee and GOI had agreed that the model Contract format would be shared among all before finalising. Moreover, farmers will be allowed to approach court instead of SDM only. The only irritant in the Agreement is that it does not mention MSP as the reference price in the contract which is taken into account by the Punjab Contract Farming Act for wheat and paddy only. It would have been a better contribution if he had brought out the alternate Contract Act as per his vision.

The sixth Chapter discusses the MSP demand as a legal right and it may be the floor price in Contracting Farming Act. The authors portray poor awareness of farmers about MSP as per SASs 2013 and 2019 and a meagre portion of the produce sold by farmers in APMCs. But in a study of eight states for six pulses and oilseeds in 2018 by Nabcons for GOI, it was revealed that almost all farmers were aware of MSP but per farmer procurement was limited to 25 quintals or less under the Price Support Scheme by NAFED unlike unlimited purchases of wheat and rice by FCI. It is the main cause of regional bias in procurement (Sangwan, the Tribune, 30 August 2021). Contrary to the author, the Nabcon study did not find that the banks were deducting loan installments from government payments. The author's discussion hovers around various related Central and State Acts and he says MSP can be implemented through its existing Price policy like procurement of Cereals by FCI, Pulses and Oilseeds other crops by NAFED through PSS and MIS scheme. It is already being done by GOI and the author does come up with his clear opinion about legal status or otherwise. To firm up opinions about legal MSPs for the entire production of all crops, one has to consider the required production for the country. India annually imports pulses and oilseeds of about Rs100000 core, whereas frequent surplus or oven gluts are occurring in sugarcane, wheat, paddy, potato, etc. If MSP is taken as an instrumental variable for area planning under various crops, the MSP and market price may synchronise (Sangwan, 2019, 2020, and 2021 in the Tribune and Indian Express). It is the area planning approach that big agricultural producer countries like Australia and America are providing guaranteed prices to their farmers.

In the seventh chapter, the author concludes that efficient agricultural markets can induce more investment in the sector. Despite finding some flaws in almost all the Acts since 2003, the author concludes that there was no need for change in trade areas and encroach on the states’ autonomy in agriculture except the inter-state trade. He is an advocate for the abolition of Arthiyas and a status quo for APMCs. At the same time, he suggests that small farmers can benefit (p.179) if FCI, NAFED and State agencies directly procure from village-level markets without APMCs and intermediaries. As regards CF, he concludes that states should not impose it, though the Contract should specify every aspect within the regulatory and legal framework to be enforceable. Surprisingly, he is also critical of linking Haryana linking contract
price with MSPs in its Act as Model 2003 (p.175). There is no specific clause favouring small farmers in any of the Acts and hence he dilutes his focus from the main issue of agriculture markets to more support of institutional credit, labour, input, land, etc. to small the farmers.

The author has precisely presented the development of Agricultural markets in chronological order since the report of Royal Agricultural Commission 2028 to three farm-laws by GOI in 2020. The book will be a very useful reference document for researchers, farmer-organizations, academicians and policymakers on India’s agricultural markets.

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