

SUMMARY

THE FARMERS' (RIGHT TO ASSURED REMUNERATIVE PRICE FOR AGRICULTURAL PRODUCE) BILL, 2017

KRISHI UPAJ LAABHKARI MOOLYA GUARANTEE BILL

A Bill to confer a right on all farmers, to obtain an Assured Remunerative Price upon sale of agricultural produce and for matters connected therewith or incidental thereto.

Provisions in this Bill, for farmers to secure the Assured Remunerative Prices are as under:

Chapter I: DEFINITIONS

1. "agriculture" includes horticulture, farming and growing of medicinal plants, crops and intercrops, fruits, vegetables, milk production, gathering of minor forest produce, flowers, grass, fodder grass and trees or any kind of cultivation of soil, conducting nursery, breeding and keeping of livestock including fish mussel, bees, silkworm, poultry, duck, cattle or pig and the use of land for agriculture allied activities or any other agricultural purposes;
2. "farmer" means a person actively engaged in the economic and/or livelihood activity of growing crops, or producing other primary agricultural commodities with or without land ownership, and will include all agricultural operational holders, cultivators, agricultural labourers, sharecroppers, tenants, poultry and livestock rearers, fishers, beekeepers, pastoralists, non-corporate planters and planting labourers as well as forest-gatherers. Self-help groups doing cultivation on collectively owned, or leased-in land are included.
3. "Commission" means Commission for Agricultural Costs and Prices, with its mandate and terms of reference pruned to focus on farmers' costs and prices alone, and expanded to 11 members, with equitable representation to regional, sectoral and gender concerns, and with farmer representatives on board.
4. "State Commission" means state level Commissions on Agricultural Costs and Prices to be set up in different states of India, which are free to announce a higher price than the ARP declared by central government and also oversee the execution of the law.

Chapter II: ASSURED REMUNERATIVE PRICE FOR ALL AGRI-COMMODITIES AS AN ENTITLEMENT FOR ALL FARMERS

1. Assured Remunerative Price for agricultural commodities as an entitlement of farmers.
2. Government, through the Commission on Agricultural Costs and Prices (CACP) will institute systems for estimations of cost of production for all agricultural commodities produced by Farmers as defined under this Act; this includes all seasonal crops as well as plantation crops, vegetables and fruits, milk, as well as minor forest produce;
3. For those commodities for which no system of cost estimation exists, government to institute such systems that require such data to be collected on a timely basis.
4. Cost estimations are to be done comprehensively with all paid-out costs, imputed costs, family labour at skilled wage rates and managerial costs included. Deficiencies to be periodically reviewed and corrections implemented.
5. CACP to recommend Assured Remunerative Price with at least 50% profit margin over the comprehensive cost of production for all agri-commodities.
6. Such Prices to be declared by March 31st of each year for Kharif and by August 31st of each year for Rabi season.

Chapter III: COMMISSION ON AGRICULTURAL COSTS AND PRICES (CACP), AT CENTRE

1. The existing Commission shall be expanded to consist of **Eleven** Members including the Chairperson. The Chairperson can be an agricultural economics expert.

2. The following shall be the Members: Member Official, from the Department of Agriculture, Cooperation & Farmers' Welfare, MoAFW (1); Farmer Representatives (5); Other Agriculture Experts (3); Member Secretary (1).
3. Equitable representation covering regional, sectoral and gender representation.
4. Clauses on transparent functioning, and avoidance of conflict of interest of any kind incorporated.
5. Powers of the CACP to include (this means that the current ToR of CACP is changed drastically):
 - To recommend ARPs for all agri commodities based on a fixed formula of a minimum profit margin of 50% above and over the comprehensive cost;
 - To recommend all other such measures that will assure a remunerative and stable price environment for farmers, including improvements in marketing infrastructure and procedures;
 - Power to be consulted on all export-import policies so that the Commission may provide its recommendation with in-house experts working with the Chairperson, to advise the Commerce Ministry on decision to be taken with minimal adverse ramifications for the Assured Remunerative Price announced.

Chapter IV: STATE COMMISSIONS ON AGRICULTURAL PRICES

1. In constitution, they would be similar to the central CACP.
2. In functions and powers, this State Commission can recommended bonus over Central ARP (based on cost of production or any policy incentives to be provided to particular cropping), monitor price situation, order deficit payment (in an area or commodity approach), inquire into failure of public authorities to discharge duties and to send recommendations to CACP.

Chapter V: IMPLEMENTATION OF ASSURED REMUNERATIVE PRICE

1. In all agricultural markets including APMC markets, the auction or offer price as the case may be, for every crop will begin with the Assured Remunerative Price as the floor price and no auction shall be allowed below the said price;
2. No buyer including those under contract farming arrangements shall purchase any crop below the Assured Remunerative Price, and any buyer resorting to purchase below ARP will be liable to prosecution;
3. Government obligated to open adequate number of (localised) procurement centres for all commodities for procuring more quantities and commodities for its food schemes;
4. Government obligated to implement effective and timely market intervention schemes, with adequate financial outlays;
5. Government obligated to take measures to prevent distress sale by farmers, by massive increase in storage facilities of all crops, and by ensuring that the farmers get immediate finance of at least 75% of the value of stored crop;
6. Government obligated to invest adequately in organising all farmers into Farmer Producer Organisations, with sufficient infrastructure and financial capital to run their marketing enterprises including processed, value-added produce;
7. Government obligated to reduce cost of production by reducing costs of inputs through regulation, subsidies and schemes, and by promoting low-cost sustainable agriculture;
8. Actual benefit to go to real cultivators.

Chapter VI: GRIEVANCE REDRESSAL AND COMPENSATION

1. Any farmer who does not obtain the ARP for agricultural commodities is entitled to a Deficit Payment of the full difference between the price obtained and the Assured Remunerative Price.
2. A 3-member Committee to be set up at the district level to receive and resolve individual complaints and monitor commodity prices in the markets in the district for compliance to this Act, consisting of one representative of farmers and one representative each of Marketing and Agriculture Departments.
3. The Committee to determine Deficit Payment to be made in case of individual farmers, in a simple

verification procedure to be specified, in a time bound manner;

4. In the cases where average market price is below the Assured Remunerative Price for a particular commodity, this Committee to recommend Deficit Payment to all eligible farmers who sold the particular commodity;
5. If a farmer does not receive the assistance and compensation as per above, the farmer may approach the State Commission for grievance redressal.

Chapter VII: OFFENCES & PENALTIES

1. Any trader who is found to be contravening the clauses in this Act, by purchasing below the ARP shall be subject to a penalty of one lakh rupees;
2. Repeated offence shall attract a higher penalty of two lakh rupees;
3. A third time offence shall attract penalty of two lakh rupees as well as withdrawal of license permission for trading;
4. Traders cannot withdraw from trading when they choose and licenses are subject to transactions carried out;
5. In case of the failure to open procurement centres in time or in adequate numbers, the highest official in the state government and central government, responsible for agri-marketing or any other public servant found responsible for failing to discharge duties as per the State Commission on Agricultural Prices inquiry shall be liable for punishment of a fine up to Rs.50,000.

Chapter VIII: OBLIGATIONS ON THE CENTRAL AND STATE GOVERNMENTS

1. Central government should set aside funds for a comprehensive assessment of costs for all commodities;
2. As soon as may be, after the receipt of a recommendation of the Commission, Central Government shall declare the prices for all commodities; provided that individual state governments may announce bonus over and above the Assured Remunerative Price declared by the Central Government.
3. To monitor purchase prices of agricultural commodities in every market to ensure implementation of the provisions of Chapter IV and initiate necessary action under Chapters V and VI in a time-bound manner;
4. Government to set up a ARP Fund with an initial outlay of 50,000 crore rupees, in addition to the financial outlays kept aside for procurement by various agencies for the ongoing food schemes; this fund to be utilised for direct benefit transfer of Deficit Payments as cleared by the District Level Committee above to be executed within one month of the Committee's orders on the same;
5. State Governments shall set up their own Funds, to meet the obligations of fixing any ARP over and above the Central Government's announcement.