Twitter Thread by Akhilesh Mishra



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MyGov has released an excellent booklet "Putting Farmers First" which not only covers in detail the current #FarmLaws2020 but also lays out in structured summarized format the work done by the Modi government in the last 6 years. Some snippets.

> Take a quick look into pro farmer measures of the government under the leadership of hon\u2019ble PM Shri @narendramodi since 2014 & the recent agricultural reforms that will help double farmers\u2019 income. https://t.co/6QgkerSfj8 #Aatmanirbharkrishi #FarmersFirst pic.twitter.com/FQN6L12Gdp
>
> — MyGovIndia (@mygovindia) December 8, 2020

On the current #FarmLaws2020, there is much debate as to what may or may not happen.

WHAT WILL NOT HAPPEN
MSP will not go away; APMC Mandis will not close; Farmers land cannot be taken way

WHAT WILL HAPPEN
Farmers can sell in Mandis & outside; More income; More jobs. 2/10

Truth About Modi Govt's Farm Reforms

WHAT WILL NOT HAPPEN

X

MSP **will not** go away

APMC Mandis **will not** be closed

Farmer's land **will not be taken** away by anyone for any reason

Buyers **cannot make** any changes to farmer's land

Buyers **cannot cheat** farmers

Contractors **cannot end** agreement without full payment



So what was the need for #FarmLaws2020 reforms when as per Left groups all was well?

1) Fragmented markets
2) Insufficient markets
3) Inadequate Infra
4) Inadequate credit

While rest of the economy was opening up, farmers were restricted. Result - Huge Income Disparity. 3/10



What about the charge that there has not been adequate consultation before #FarmLaws2020 were passed?

THE TRUTH: Two decades of consultation. Farm Reforms are perhaps the only policy reforms where there has been

consensus movement in SAME DIRECTION by multiple governments. 4/10

2000-2003 (NDA GOVERNMENT LED BY PRIME MINISTER A.B. VAJPAYEE)

Shankarlal Guru Expert Committee was appointed in December 2000 to suggest ways and means to make Agriculture marketing system more efficient. The committee submitted its report in June 2001.

To examine these recommendations, the Agriculture Ministry constituted an Inter-Ministerial Task Force in July 2001 which submitted its report in June 2002. The steps recommended by this task force included:

- Removal of restrictive provisions hindering a competitive marketing system
- Promotion of direct marketing
- Encouragement of contract farming
- Rationalization of Market fee and tax structure
- Facilitate National Integrated Market

These recommendations resulted in the passage of the Model APMC Act 2003 which encouraged the state governments to amend their individual state acts in accordance with this model act.

So what are the benefits of the law that allows the farmers to sell in APMC Mandis as at present but also, and importantly, anywhere outside?

1) Better price discovery for farmer
2) Converts present buyers market to sellers (farmer) market
3) Better logistics in rural areas



IMPACT OF THE LAW WHICH GIVES FREEDOM TO SELL ANYWHERE

If farmers want to sell within the APMC markets, that will continue. MSPs also continue. So, the MSP acts as a safety net for farmers.

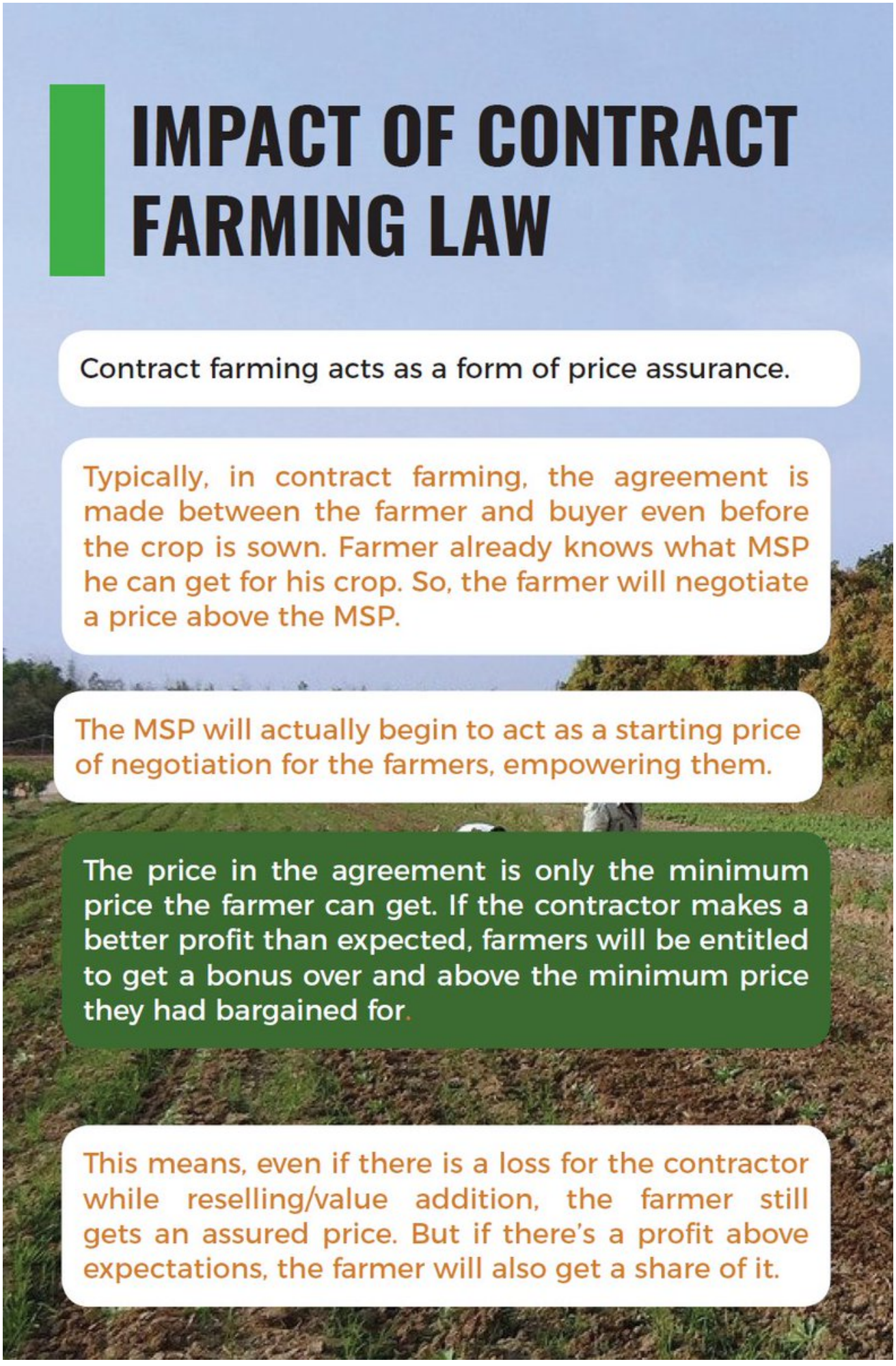
APMC market yards will be open for farmers to sell. This apart, they can also sell outside the mandis. There will be competition to buy from farmers which means farmers have greater bargaining power to decide their price.

For every product and for every producer, all of India is a single unified market. Only farmers were denied this benefit of a massive market.

With these reforms, Indian farmers will now finally have the freedom to sell their produce to who they want and where they want and at price of their choice, an option denied to them until now.

What are the benefits of the Contract Farming law?

1) Assured price for farmer
2) Contracted price is bare minimum in case of more profits farmer gets additional bonus
3) Arhtiyas get more options
4) More investment in infra at farmer door step
5) Rural youth get more jobs


IMPACT OF CONTRACT FARMING LAW
Contract farming acts as a form of price assurance.
Typically, in contract farming, the agreement is made between the farmer and buyer even before the crop is sown. Farmer already knows what MSP he can get for his crop. So, the farmer will negotiate a price above the MSP.
The MSP will actually begin to act as a starting price of negotiation for the farmers, empowering them.
The price in the agreement is only the minimum price the farmer can get. If the contractor makes a better profit than expected, farmers will be entitled to get a bonus over and above the minimum price they had bargained for.
This means, even if there is a loss for the contractor while reselling/value addition, the farmer still gets an assured price. But if there's a profit above expectations, the farmer will also get a share of it.

What about the fear that MSP will go away?

Commitment of Modi government on MSP is reflected in not just in increases but also the procurement quantity at these MSPs.

The pulses story is eye-opener.
1) Reduced Forex outflow
2) More cash to our farmers
3) Lower inflation 7/10

Pulses procurement shows Modi government's way of resolving problems

The previous government had created a triple whammy for the people of the country.

First, they did not promote the growth of pulses sufficiently, which meant an important nutritional crop was missing from the picture.

Whatever was grown, was not procured from farmers sufficiently either. They bought very low quantities of pulses from farmers.

When the demand for pulses went up, India had to import pulses from foreign countries, raising prices for common consumers.

The country lost precious foreign exchange to imports, consumers ended up paying more, the poor had to bear the burden of rising prices and farmers did not get much in the way of MSP payments either.

Modi government reversed this situation with a knack for problem resolution.

The government increased the MSP of pulses and ramped up procurement to many times more than the previous government. This meant more money in the hands of farmers.

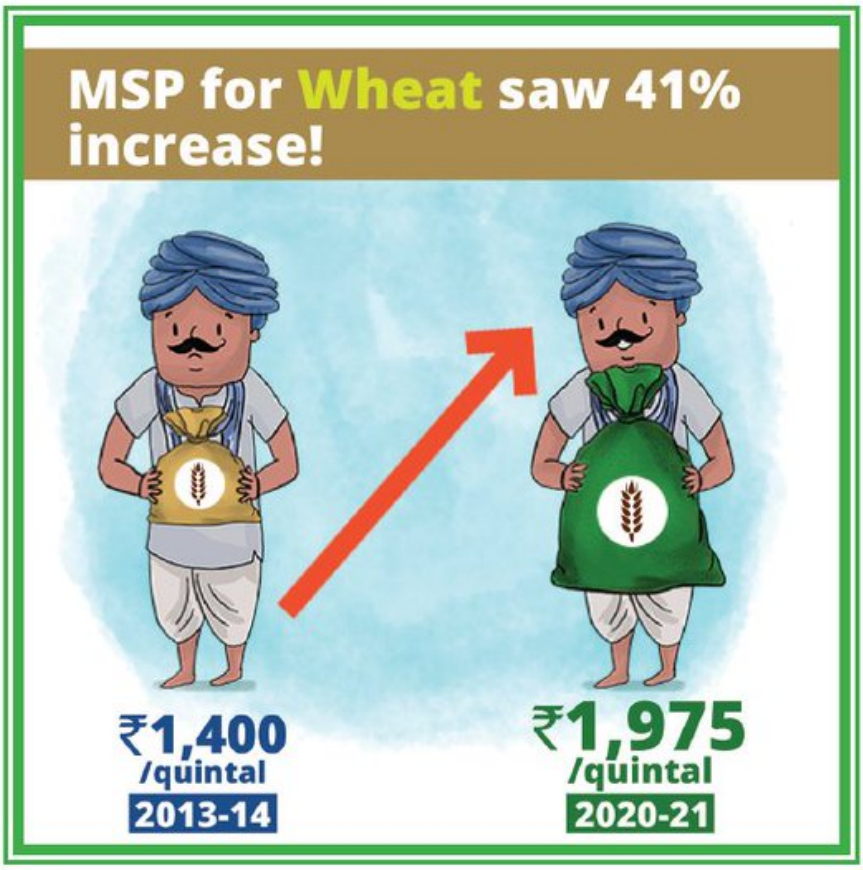
Availability of pulses went up which meant prices came down for consumers and the poor.

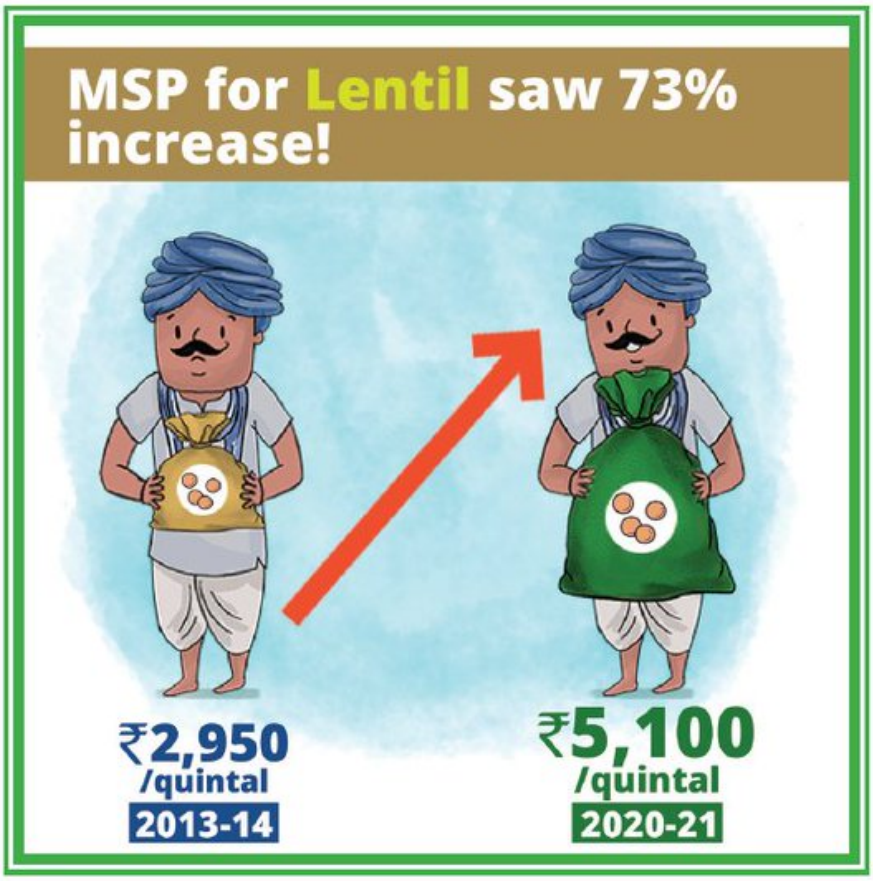
India also saved money which was earlier being spent to import pulses.

The MSP story, or rather the fear being spread on MSP is completely contrary to the track record of Modi government when it comes to not just MSP increases but also procurement at MSP.

8/10

MSP hikes in Rabi crops





However, the #FarmBill2020 have not happened in isolation. They have taken place after a series of efforts since 2014 which have created the base for these reforms.

1) Budgetary allocation enhanced
2) Access to formal credit
3) Water and electricity
4) Farm Insurance
9/10

Record investments for record outcomes

Showing the government's farmer-centric focus, **the budget set aside for agriculture almost doubled** from Rs 1.21 lakh crore during 2009-14 to Rs 2.11 lakh crore during 2014-19.

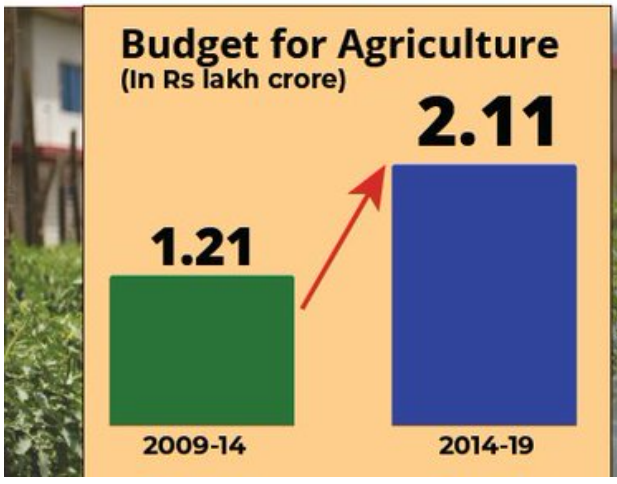
Further, for the year 2020-21, the budget for this sector is set at Rs 1.34 lakh crore, which is **far more than the total of 5 years of UPA's second term**!

Direct income support for farmers got a massive boost with over Rs 75,000 crore being given for PM-KISAN initiative, under which farmers get Rs 6,000 per year.

Infrastructure near the farms is key to farmers' welfare. Rs 1 lakh crore Agri-Infrastructure Fund has been exclusively set up for this purpose.

Historic MSP increase was announced where, for the first time ever, the minimum support price of all 22 crops was set at minimum 50% more than the cost.

In Rabi 2020, if we combine the procurement of wheat, paddy, oilseeds and pulses, **Rs 1.13 lakh crore was paid to farmers in the form of MSP**, assuring their income in a pandemic year. This is a 30% increase from the previous year.





All of the efforts of Modi government since 2014 are geared up towards one aim.

1) Vale addition
2) New opportunities like ethanol
3) Direct Income support to small and marginal farmers

#FarmBill2020 is the game changer in the national resolve of DOUBLING FARMER INCOME. 10/10

Value Addition to Agricultural Products

Modi Government Shows the Way

Sharp Increase in Mega Food Parks Operationalized and Processing Capacity

