

**THE PUNJAB FARMERS (EMPOWERMENT AND PROTECTION)
AGREEMENT ON PRICE ASSURANCE AND FARM SERVICES
(SPECIAL PROVISIONS AND STATE AMENDMENT) BILL, 2020**

A

BILL

to restore the agricultural safeguards for the farmers of Punjab including Minimum Support Price mechanism ensured through the regulatory framework of the APMC laws in order to secure and protect the interests and livelihood of farmers and farm labourers as also all others engaged in agriculture and related activities.

WHEREAS the Parliament has passed the, the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (hereinafter referred as the “**Central Act**”) to provide a new regime for agreements relating to trade and commerce in agricultural product;

AND WHEREAS the direct consequence of this Central Act would be to introduce several other infirmities and distortions operating to the grave detriment and prejudice of agriculture and the communities associated with it in the execution of agreements between farmers and traders/buyers;

AND WHEREAS the Central Government has also introduced a mechanism through this Central Act that is vulnerable to encroachment and manipulation by vested corporate interests leaving the farmer open to the vagaries of market forces for getting an optimum price for agriculture produce, fruits and vegetables;

AND WHEREAS as per the Agriculture Census 2015-16, 86.2% of farmers own less than five acres of land and a majority of them own less than two acres of land falling in the category of small and marginal farmers and consequently have limited or no access to multiple markets with an inherent handicap of bargaining power to negotiate fair-price contracts hence needing proper protection by the State Government to ensure a level playing field, prevent exploitation and an optimum guarantee of fair market price for the agricultural produce;

AND WHEREAS this is the primary and principal responsibility of the State Government but the Central Act fails to take into account this imperative and this object of the Constitution of India;

AND WHEREAS agriculture, agricultural markets and land is the primary legislative domain of the State falling under Entries 14, 18 and 28 of List-II of Seventh Schedule of the Constitution of India; and 'production, supply and distribution of goods' is also a State Subject under Entry 27 of List-II read-with, Entry 33 of List-III of Seventh Schedule of the Constitution of India;

AND WHEREAS the Legislative Assembly of Punjab is enacting the present Act to protect the interest of farmers, farm labourers, those engaged in ancillary and incidental activities relating to production, sale and marketing of agricultural produce as also consumers and for adherence to the minimum support price mechanism through the existing structure of APMCs;

NOW, THEREFORE, be it enacted by the Legislative Assembly of the State of Punjab in the Seventy-First Year of the Republic of India as follows:-

Short Title, extent and commencement.

1. (1) This Act may be called 'The Punjab Farmers (Empowerment & Protection) Agreement on Price Assurance and Farm Services (Special Provisions and State Amendment) Act, 2020.

(2) It shall extend to the whole of the State of Punjab.

(3) It shall come into force with effect from the date it is notified in the Government Official Gazette

Definitions.

2. (1) In this Act, unless the context otherwise requires-

- (a) "Central Act" shall mean the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020;
- (b) "Minimum Support Prices" shall mean the price announced for crop purchases by the Central Government in consultation with the Commission for Agricultural Costs & Prices, in so far as it relates to wheat and paddy alone.
- (c) "Rules" shall be as notified by the Government in the Official Gazette under this Act.
- (d) "Government" means the State Government of Punjab.
- (e) Words and expressions used but not defined in this Act but defined, the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, shall have the meanings respectively assigned to them in that Act.

Amendments to Section 1 of the Central Acts.

- 3. In Section 1(2) of the Central Acts, the following Section shall be substituted, namely:-

"(2) It shall come into force on such date as the Government may, by notification in the Gazette, appoint."

Farming Agreement to have pricing above Minimum Support Price

- 4. No sale or purchase of wheat or paddy shall be valid unless the price paid for such agricultural produce is equal to, or greater than, the Minimum Support Prices announced by the Central Government for that crop.

Amendment to the Farmers (Empowerment and Protection)

- 5. In the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020-

**Agreement on
Price Assurance
and Farm
Services Act,
2020**

(I) In Section 19, the following Section shall be substituted, namely:-

“(19) In addition to the remedies available under the provisions of the present Act, the farmers shall also have the discretion of approaching the civil court or availing any other remedies available to them under the existing laws.”

(II) In Section 20, the following Section shall be substituted, namely:-

“(20) In the State of Punjab, subject to the provisions of ‘The Punjab Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services (Special Provisions and State Amendment) Act, 2020, the provisions of this Act shall have overriding effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any other instrument having effect by virtue of any law for the time being in force.”

**Special
Provisions for
the State of
Punjab**

6. (1) Notwithstanding any judgement, decree, or order of any court or any other instrument or any other law inconsistent therewith, status quo as on 4th June, 2020 shall be maintained qua the provisions of the Punjab Agriculture Produce Markets Act 1961.

(2) All notices issued by the Central Government or any authority on its behalf under provisions of the Central Acts, shall deemed to have been suspended and no

punitive action shall be taken against any person for violating the provisions of the Central Acts mentioned in sub-section (1).

Punishment for harassment of Farmers

7. Notwithstanding anything contained in any other law for the time being in force, if any person or company or corporate house or any other association or body of persons, whether incorporated or not, if compels or exerts pressure on a farmer or any person associated with agriculture or agro-produce to enter into a contract or sell agricultural produce in his possession, at a price below the Minimum Support Price (MSP), then such person shall be deemed to have committed an offence which shall be punishable with a terms of imprisonment of not less than three years and fine.

Levy of cess on trade outside of APMC mandi markets

8. Notwithstanding anything inconsistent with the Central Acts:
 - (1) The State Government may from time to time notify a fee which, shall be levied on a corporate trader and/or on the electronic trading and transaction platform for trade and commerce in a trade area outside of the APMC markets.
 - (2) The cess leviable under sub-section (1) shall be called , and the proceeds thereof shall go towards the fund set up for purchase of equipment for small and marginal farmers.

**Power of State
Government to
give directions.**

9. The Government may, from time to time, issue such directions to the authorities as it may deem fit, for giving effect to the provisions of this Act and it shall be the duty of all the authorities to comply with such directions.

**Act to have
overriding effect**

10. The provisions of this Act shall have effect notwithstanding anything inconsistent there in contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act.

**Rule making
powers**

11. The Government shall make such Rules as may be necessary for giving effect to the provisions of this Act.