



Study on the Effect of Free market on Agriculture in Punjab

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Abstract: This paper entails about the farms bill which had come into existence. The Parliament of India had propagated about the three agricultural acts i.e., Farmer's Produce Trade and Commerce Act, 2020, another was farmer's (empowerment and Protection Agreement of Price Assurance & Farm Services Act 2020, lastly Essential Commodities (Amendment) Act, 2020 during the monsoon session. The objective of the study was to know about the influence of the free market on Agriculture in Punjab. It had been found that bills which had been propounded they are not strong enough to wipe out APMC from the Indian economy. There are yet to be amendments which could be made in the Act otherwise the time is not that far that free market would take the shape of monopoly in the Indian Agricultural sector.

Keywords: APMC, Free market

Introduction:

Agriculture in Punjab - Punjab "The Land of 5 Rivers" has its glorified history it comes under one of the earliest civilizations The Indus Valley Civilization. This land attends many kingdom's this land has potential and quality to give basic needs and more than that to people living in this area even it's capable of providing help to other regions too and its history in agriculture is way back. While talking about Punjab agriculture is one word which comes to mind and it's the fact that agriculture is the backbone of Punjab. After the green revolution and implementation of APMC act before it's good but slowly cartel of traders were formed in APMC and they were controlling the price in market and Punjab which is one of the top developed state in India and has good GDP is going down year by year and agriculture is one of the major sector of Punjab it affect the whole Punjab there many other reason too like going down of ground water level which is major concern.

Free Market in agriculture – It's a market and competition of APMC (Agricultural Produce Market Committee) in agriculture sector which state that farmers and buyers need not to go to licensed market where tax inclusion is there, in free market farmers and buyers were free to buy and sell from any region of nation "Free Market" is a word use for this market. Recently Center government of India passed 3 bills which are The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill 2020, The Farmers-Agreement-of-Price-Assurance-and-Farm-Services-Bill, -2020, The Essential Commodities (Amendment) Bill 2020. This

bills state that farmers can sell their crops outside the APMC market wherever they get high price and they can also do contract farming with companies

Impact of free market in Punjab - To measure real impact we need to do research and the above research is based on that, but some statements were already there. The reason behind this market is to empower farmers and give them their rights which is right amount for their crop and there are problems with APMC as their cartels were formed by traders, so they control price of crops as farmers were having no other choices. Free market is introduced to bring farmers front and deal with traders directly no middleman required which is sound perfect theoretically but on grounds this market has issues too. As the main issue is farmers were not much aware of this contract with companies. To sell at high price farmers need to store the crop by himself but most of the farmers cannot afford cold storage to store crops and if companies do for farmers there is not much profit for farmers

Implementation of CSR – This research will help to understand the real reason of agriculture sector drops in Punjab and what are the needs of farmers and agriculture sector to grow this research will help people to know about the farming sector and their issues as well as opportunities.

Review of Literature:

Sidhu, M. S. (2016) had studied about the agriculture sector of India and how Punjab is contributing in it. Additionally, it had also focussed on how the market is working in Punjab for agriculture. Moreover, it had been observed that India had exported more than US \$ 5 billion of exports of basmati rice, more than US \$ 3 billion of buffalo meat and other different kinds of non- processed food.

Jeyabalasingh, Paul & A, Nisha (2020) had studied about the reliefs package issued by government of India after lockdown. This paper also talked about farmers bills as that was also the part of package. However, it also clearly stated the pros and cons of the bills.

Ghosh, M (2017) had studied about the APMC act and impact of change of market on India. This paper had studied about APMC Act and how its impact on Indian food market. It had been studied that there were diverse kinds of distribution supplies which are very well operating in India. The public distribution system is well as in workable condition well across over India.

Banik, Nilanjan. (2017) had studied about the farmers situation in India as well as what were the reasons behind farmer's failure.

Singh, Sarbjeet & Singh, Simranjeet & Singh, Sukhram (2019) had studied about agriculture sector of Punjab. It had been studied that the Indian processing Industries had been accountable for thirty two percent of the total food market in whole India. This is one of the largest sectors in India. This also ranked number five in the field of production export, expected growth etc.

Grover, Davinder. (2015) had studied about the agriculture and workflow of Punjab.

Krishan, Gopal & Sudarshan, N. & Sidhu, B (2020) had studied about the situation of going down of groundwater and methods of farming in Punjab. As this paper talks about the diverse kinds of methods which had been taken into consideration.

Prihar, R.S. & Singh, N (1988) had studied about the farmers and their financials.

Research Gap

While studying number of research papers we concluded that the study of free market is not on Punjab region yet as it is new in Punjab but it is applied in nearest state up and Bihar so this research will be based on only Punjab region.

Objectives:

General Objective:

- To study about how the new market system will have impact on Punjab.

Specific Objectives:

- To study about the impact of free market on Punjab is it helpful to grow farmers in Punjab
- To study about the opportunities in agriculture sector of Punjab
- To study about the cons and pros of APMC and free market system

Research Methodology

The method that had been utilised is data using surveys. Surveys were conducted on some villages of Punjab and this will be our sample size we will collect data from famers by questioning them and get know about facts of current market system and new market system and their real issue as well. This research will focus on primary data.

Data Analysis and Interpretation:

The Survey is Conducted in most of Punjab region

Are you Resident of Punjab ?
75 responses

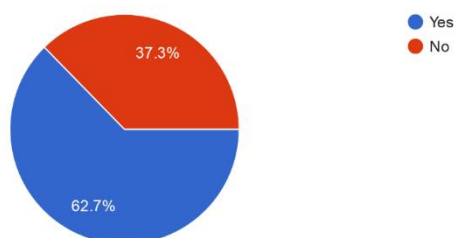


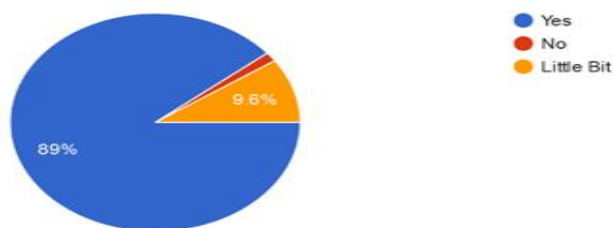
Figure 6.1 Percentage of Punjab Residents Out of 75

Punjab’s economy is Dependent on Agriculture sector and people too aware and believe this so from this we can say that they know how much farmers and agriculture sector is important for them

Figure 6.2 Awareness About the Bills

Are You aware about the new Farmers Bill ?

73 responses



Punjab’s economy is Depends too much on agriculture sector ?

74 responses

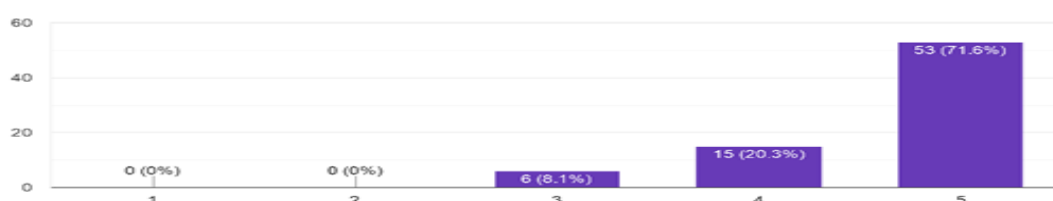


Figure 6.3 On the scale of agree and disagree (1-5) to know the Dependency

About the bills the above charts represent that 89% people aware about the new farm bills and some of them know little bit so from this we can say that peoples who were part of this survey are aware about the bills so there answer will be provide value to this report Punjab’s economy is Dependent on Agriculture sector and people too aware and believe this so from this we can say that they know how much farmers and agriculture sector is important for them

How Likely You were Connected With Farmers Income ?

74 responses

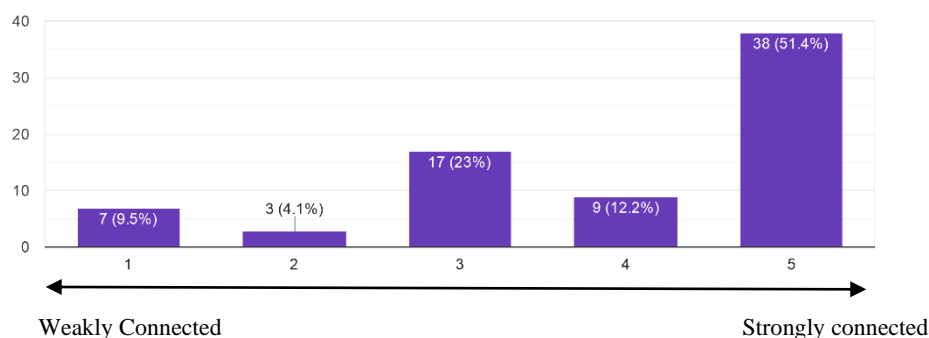


Figure 6.4 On the scale of weakly and strongly (1-5) to know the Dependency of people on Farmers

It had been observed that most of the people were connected to farmer’s income so they were also affected by the bills on agriculture sector in Punjab

Does this Protest Will Change Somthing in Agriculture Sector ?

73 responses

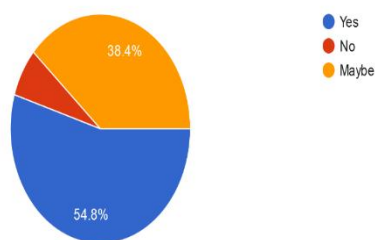


Figure 6.5 Peoples opinion about the Farmers Protest

How much this bills Effects you in Future ?

74 responses

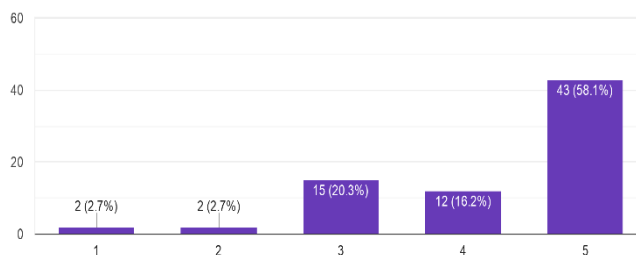


Figure 6.6 On the scale of very less and very much (1-5) people's opinion on effect of bills

Do you take ATTA directly from shops or take Wheat in Bulk from the market or farmers

74 responses

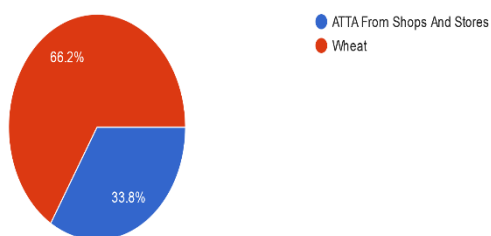


Figure 6.7 Percentage Of consumers way of Taking Wheat

Do you Grow Your Own vegetables ?

74 responses

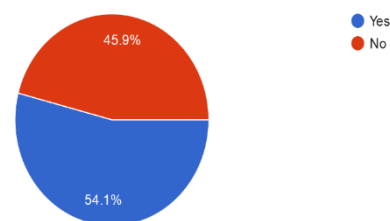


Figure 6.8 Percentage of people Grow their Own Vegetables

Is Farming a Good Profession ?

74 responses

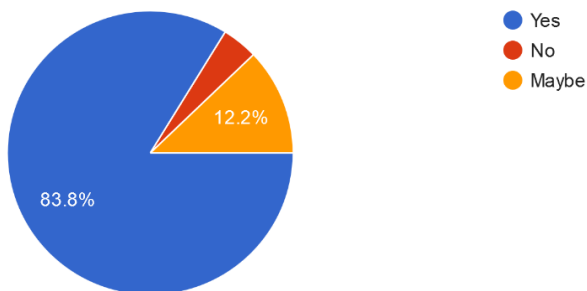


Figure 6.9 Peoples opinion about Farming as a profession

By observing the above charts and data it could be concluded that the bills were not ultimate solution for the problems of farmers and if farmers income will effect from this so as other people of Punjab majorly people of rural area and reaction of the people on the protest of farmers is mixed based half of them were seeing this protest as success and this will change something for farmers and 40% people think maybe it will not and more than 50% people were directly taking wheat rather than taking ATTA from the market which is sold by companies and many of them see farming as a good profession . My opinion is that the govt should better work for the current system it will also definitely help the farmers and people of Punjab. There are many things

related to APMC Mandi. MSP is one of the themes which is not given properly to farmers and other thing is tax collection from mandi which is used by state govt in development of rural areas and Punjab and there is no restriction for any private players to enter in APMC they should in APMC and do their business there why need of another market for that as the survey goes it shows that there will be impact of this bill on Punjab.

Conclusion

Yes, it might help some of the farmers to grow for specific time period Because there are some problems with this bill like there less legal ways to tackle problems there is a chance of monopoly of private players which might affect the whole state but farmers need better guidance and better market for them. Our is based on agriculture there are lots of opportunities we might increase our export crops and dairy products as we have surplus or it might use for scheme for below Poverty line peoples there is chance of big MNC to Take raw from India. There is Huge Risk on of monopoly on both sides if APMC is there only it's a by default Monopoly and If new Market Come there is a chance of private player's monopoly as new market come with more flexible rules like easy entry and no tax. New Market is not backing the MSP which is right and need of farmers to get good price and if it's there then it's not given properly in APMC too so MSP is Must need .There is no such option of going to court if there is a dispute in contract according to new bills. There are middlemen act as an agent in APMC who takes tax from both sides farmer's and trader to make a deal and it's not in New market. Farmers can sell only in APMC not any other place, but new bills give them freedom to sell anywhere in country. Due lack of implementation of MSP pricings is not given will to farmers. ground water is going deeper due to rice it takes a lot of water to grow things used in farmers were not so cheap as many of them taken loan and financial health of small famers is not good

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