Farm Trade Ordinance & Punjab's Opposition

Why in news?

Punjab is opposing the Centre's Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance.

Why Punjab is opposing the Ordinance?

- This Ordinance may end the state's Agriculture Produce Market Committee (APMC) Act, which was amended in 2017.
- This Ordinance is opposed on the pretext that it will privatise the entire sale/purchase system and will end the MSP regime.

What is the difference?

- As per the state's APMC Act, only a licence holder from the government after meeting the provisions laid under this Act can do trade.
- As per the Centre's ordinance, no licences are required and any PAN cardholder can do trade.

Where can trade be done?

- As per the state's APMC Act, trade will be allowed in both,
    1. State-owned mandis under Punjab Mandi Board (PMB) and
    2. Private mandis allowed under the amended Act.
- In private mandis, trade is allowed in the government-notified yards.
- The PMB charges a fee/cess that is used for the development of the mandis and the rural areas.
- As per the Centre's ordinance, trade can be done at any place.
- Also, farmers can sell their product anywhere in the country.

What type of private market committees can be set up under the state Act?

- Apart from the mandis under PMB across the state, there is a provision of setting up of private market yards demarcated by the government.
- These mandis can be owned by the private players.
- The owners of these private yards and their relatives cannot trade but only operate these mandis.

- The government will have full control over these mandi.
- Taxes and other duties decided by the government will be levied on the sale and purchase of farmers' produce.
- Centre' ordinance, however, has no such provision.

What if there is a high fluctuation of prices?

- As per state Act, there is a provision of setting up of 'Price Stabilisation Fund' by the government.
- This fund can be utilised to facilitate farmers in case of high fluctuation of the crop prices.
- There is no such provision under the Ordinance.

What about the market fee/cess charged by the PMB?

- The state APMC Act says that cess/fee would be levied on sale/purchase in the notified private market yards.
- There is no such provision in the Ordinance.

What are the provisions regarding payment to farmers?

- The State APMC makes the provision that farmers will be paid for selling their products **within 48 hours**.
- The sale/purchase is regulated by the government because only licence holders can do trade in such mandis.
- If the trader fails to pay the farmer on time, the matter can be resolved by presenting the case to PMB's Market Committee or to the Secretary, Agriculture.
- The concerned Deputy Commissioner (DC) also has the power to sell any property of the trader to pay the dues of farmers.
- Finally, the matter can also reach the court for settlement.
- As per the Centre's ordinance, the farmers will be paid either on the **same day or within 3 working days**.
- If a trader does not pay, the matter can be resolved by presenting their respective case to SDM or DC.
- There is no provision for taking the matter to court.

What is the status of e-trading?

- As per the state Act, only licence holding dealer can do e-trading.
- As per the ordinance, any PAN cardholder can do it without any fee.

How big companies can enter the trade of crops, food processing?

- The state government had introduced a Unified Licence System, so that big food processing companies to take steps in the interest of farmers.
- As per the ordinance, there is no need for a licence for big companies.
- Farmers are specifically against this provision.

What would happen to the MSP regime?

- After the APMC Act was amended, the MSP regime continued in the state as such.
- Even now, major agricultural products are brought only in the PMB owned markets where farmers sell on fixed MSP.
- It seems like the provisions of the ordinance may end the MSP regime.

Source: The Indian Express

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