

# Corporatization of Agriculture in India and the Peasant Movement

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## **Abstract-:**

**Agriculture in India is considered to be the backbone of the Indian economy. Agriculture is considered a symbol of nutrition, progress and prosperity of humanity. Agriculture is the main means of employment and livelihood and it plays an important role in national income. India has a huge agricultural base and India is self-sufficient in food grains. In February 2016, Prime Minister Narendra Modi had set a target of doubling the income of Indian farmers by 2022. Agricultural laws were brought in 2020 by the Government of India to double the income of the farmers. On this the farmers started agitating against these farmer laws. Protests were seen between the government and farmer organizations regarding these agricultural laws. In this, farmer organizations believed that due to these agricultural laws, the agriculture sector would go into the hands of big private corporate companies. In this paper, light has been thrown on the condition of agriculture in India and why the farmers opposed the agricultural laws. In this research paper, the advantages and disadvantages of the farmers due to the corporatization of agriculture have been discussed. In this research paper, the thoughts about the agricultural laws of the government and the farmers have been kept. In this, the topic of how farmers' income can be doubled with the help of MSP (Minimum Support Price) has also been highlighted.**

**Key Points -: Minimum Support Price, Corporate, Farmers Organization, Agriculture Law, Employment, Farmer Suicide**

## **Introduction-:**

If we talk about a developing country like India, then agriculture is a big sector there. Which provides a major contribution to our social, economic and political development and plays an important role in the development of India. Agriculture in India does not work only to fill our stomach, but it provides employment to a large population and plays an important role in removing unemployment. India earns a huge reserve of foreign exchange from the export of agricultural produce. Agriculture has been an important sector of India since the time of independence. About 50% of the country's national income was received from agriculture and its related areas and about 72% of the total population of India was engaged in agriculture. Even at present, agriculture contributes 18% to the total gross domestic product of India and provides employment to 10.07 crore families, which is about 48% of the total population of India. If we look at the last few decades, Indian agriculture sector is continuously moving towards decline. At present the cost of farmers is increasing and their production is decreasing. have to face. At present, most of the farmers in India want to keep their children away from agriculture. After liberalisation, Indian agriculture system can be seen in backward condition. At present, a new challenge before the Government of India is that how the productivity of the farmers can be increased so that the income of the farmers with small holdings and the poor agricultural laborers can be increased, because the agriculture sector in India is a very large area providing livelihood. Is. In India, investment in the agriculture sector is done in very small amounts by the central government and the state government. Under the new agricultural policy of the Government of India, a lot of attention has been focused on the subject that big corporate companies should invest in the agriculture sector. They should help in furthering Indian agriculture through contract farming and land leasing. With the coming of corporate companies in the agriculture sector, farmers will get new technology transfer, capital and good seeds in a very short time and corporate companies will play an important role in increasing the income and production of farmers. Contract farming has been envisaged to bring corporate companies into the agriculture sector.

## **Need for corporatization of agriculture in India-:**

There are many challenges faced by the farmers in Indian agriculture. Farmers in India are getting less productivity in consecutive years while they invest more of their income because timely availability of crop insurance, crop loan, bank in India is very less. If we compare with countries like China and America, then the condition of India is not very good. Crop insurance coverage in those countries is far ahead of India. In India if the farmer wants to get loan on credit card from the banks then they first have to depend on the middlemen and by that they keep most of the money from the loan taken by the farmer and the farmers get very little money. . Due to this, the farmer gets trapped in the cycle of debt and due to lack of crop insurance, if his crop is destroyed due to any natural phenomenon, then the farmer is forced to take steps like suicide due to being trapped in debt. Thousands of farmers commit suicide every year in India. According to the State of India Environment Report (2021), more than 10200 farmers and agricultural laborers committed suicide in 2019. The main reasons for which are the wastage of crops due to monsoon, diseases caused by pests in crops, lack of water available to the crops as required, etc. Therefore, instead of benefiting the farmers engaged in agricultural work at present, they had to suffer loss on the crops. The farmer is very poor and the corporate companies have a lot of money so that they can store a lot of goods and control the market. Corporate companies can buy crops from farmers at very low prices and sell them at very high prices according to them and due to these reasons farmers organizations opposed these laws. India has poor supply chain management so India needs to focus on its exports. If we talk

about statistics, where India ranks first in milk, pulses, spices, jute etc. and second in rice, wheat, cotton, sugarcane, fruits and vegetables. But if we talk about exports, then India holds a share of 2.7% in exports in the whole world, while China's share is 4%. If India has to increase the income of farmers then they have to build a strong chain. With the help of which the crop of the farmer of India can be exported to foreign countries. If we want to include small farmers under this scheme, then the government will have to keep it under 'one district one product' where Indian farmers can take advantage of it. Apart from this, there is also a major problem of cold storage and food storage because farmers do not have the facility of cold storage, they have to sell their crops at throwaway prices. If the farmers have the facility of cold storage, then the farmers can keep their crops safe, so that they can get a reasonable price for their crops. For this, their cold storage can also be opened by some farmers together. In which they can be given subsidy from the government and with that those farmers can keep their crops in cold stores. The Government of India wants to corporatize agriculture for a quick solution to all these problems, so that all these problems can be solved. With the coming of corporate companies, they will create such a food chain through which things can be exported from India comfortably. Big cold storages will be made by corporate companies. In which the farmers will be able to keep their crop in the cold store by giving a minimum amount and if needed, they will be able to earn their living by selling that crop.

#### **Benefits of corporatization of agriculture:-**

It is argued in favor of the benefits of corporate companies coming into agriculture by the Government of India that by this corporate and farmers together can form a direct relationship with contract farming. The Government of India has made changes in many rules with the aim of corporatizing agriculture. The Government of India wants that instead of selling their produce in the Agricultural Produce Marketing Center (APMC), the farmers can sell their goods to the companies related to agricultural production. The government is working towards making many new laws by amending many laws with the aim of starting contract farming and corporate farming. To promote corporate farming, the government is proposing to lease or buy barren lands and other prime lands. Seeing the increasing demand, some corporate companies want to do agricultural work according to the contract with the farmers and due to this, the farmers can get a lot of value for fruits, vegetables, flowers and cash crops etc.

#### **Loss due to corporatization of agriculture:-**

Farmers producing cash crops to earn more profit may adversely affect the food security in India in the times to come. Along with food security, corporate companies also raise a big question on India's national security. These companies can completely monopolize every type of seed, technology, production and purchase and can change the Indian market accordingly. Corporate companies will eliminate the small or small scale companies in the contract because Indian agriculture is a golden opportunity with the international company today, which also wants to take full advantage. Corporate companies ask the farmers to produce the same crops. So that they can get maximum benefit.

#### **Agricultural law and farmer's movement:-**

The efforts of the Government of India are continuing to bring India in a leading role in the field of agriculture, that is why a comprehensive agricultural export policy has been launched by the Government of India. Taking forward these efforts, the Government of India brought 3 new ordinances related to agriculture on 5 June 2020. At the same time, these ordinances were brought under one nation one market, but as soon as these ordinances came, opposition started. In the initial time, the opposition to these ordinances was very less, but when the government was trying to make these ordinances legal, at that time the opposition to these laws started more. Initially, the protest against their laws started only in the state of Punjab, but gradually this protest spread to Haryana, Western Uttar Pradesh. On 14 September 2020, thousands of farmers left Haryana, Punjab and came to the borders of Delhi and there started picketing. The Farmers Produce Trade and Commerce (Promotion and Simplification) Act (2020) and the Agriculture (Empowerment and Protection) Price Assurance and Agricultural Services Agreement (2020) were passed by the Government of India on 17 September and 20 September in the Lok Sabha and Rajya Sabha and on 27 The ordinances became law after President Ram Nath Kovind signed them in September. Along with the formation of laws, the farmer's movement also reached its peak and many other states also started supporting these farmer's movements and very soon lakhs of people opposed these agricultural laws. Farmers organizations were demanding legalization of Minimum Support Price (MSP). For this, 32 farmer unions of Punjab and various farmer organizations of different states together formed the United Kisan Morcha. There were 11 rounds of talks between the Government of India and farmers' organizations which remained inconclusive and finally on 19 November 2021, on the occasion of Guru Parv, Prime Minister Narendra Modi in his address to the nation said that agricultural laws were laws for the benefit of farmers and smaller than these laws The farmers were supposed to get benefits but the government has not been able to take those laws to the farmers properly. This was the biggest farmer's movement since independence till present which raised many questions in front of us. That's why the agricultural laws were opposed by the farmers. Will the system that is going on in Indian agriculture end with the coming of corporate companies? Will corporatization of Indian agriculture be negative or positive? Will corporate companies exploit the farmers. To know the answers to all these questions, first we have to understand all the three agricultural laws.

- *Farmers Produce Trade and Commerce (Promotion and Facilitation) Act (2020)*
- *Agriculture (Empowerment and Protection) Price Assurance and Farm Services Agreement (2020)*
- *Essential Commodities (Amendment) Bill (2020)*

#### **Farmers Produce Trade and Commerce (Promotion and Facilitation) Act (2020)**

This law gave the freedom to buy and sell their agricultural produce at any place inside or outside the APMC mandis. Due to this, farmers could get many benefits, this would encourage a digital platform to sell agricultural products and due to competition in the market, the farmer would get an opportunity to sell his crop as per his requirement. He could sell his crop to whomever he wanted, in whatever state he wanted, because currently there is a lack of transparency and fairness in most purchases due to the lack of APMC mandis. Because inside the APMC mandis, their own producer union is formed by the middlemen and together they fix an arbitrary price and the farmer has to sell his crop at the same price even if he doesn't want to. Government of India

believes that with this law, farmers will get many options to sell their produce and through this law, farmers can sell their crops to buyers at reasonable prices by going out of mandis. The argument of the protesting farmers was that with the coming of these laws, the corporate companies would be completely free to do their arbitrary and it would end the relevance of APMC mandis in the coming times. The agitating farmers said that if there is any deficiency in the APMC market system, then it should be rectified by the government. But nowhere in this law has it been said to fix the market system.

### **Agriculture (Empowerment and Protection) Price Assurance and Farm Services Agreement (2020)**

In this, the government was allowed to do contract farming. In this, the corporate company and the farmer can make a contract together. In which the price of the crop to be grown, the technology to be used, etc., all things can be contracted. So that farmers can do agriculture in collaboration with corporate companies without any risk. But the agitating farmers argued that the illiterate farmer would easily get trapped in the contract made by the contracting companies and by which they would grab the farmer's land, but the land has not been discussed anywhere in this law. The argument in favor of this law is that doing contract farming will increase the income of the farmers as they will be able to do agriculture with the help of big corporate companies under the supervision of good technology, good seeds and experts. They will also reduce the risk regarding their crop. Another major theme of this law was about dispute resolution. In case of any dispute, the farmer could make a final appeal to the District Collector, but he could not go to the court. Therefore, the agitating farmers said that this would stop their way of going to the judiciary and corporate companies can settle every dispute in their favor on the basis of their money.

### **Essential Commodities (Amendment) Bill (2020)**

Under this law, the stock limit imposed on essential commodities for trade in peace time has been removed under it. Therefore, now any person can keep as much stock as he wants of commodities like food grains, edible oil, pulses and onions. Due to this, the farmers were forced to sell the crops because they could not keep those crops with them for a long time because there was a danger of spoilage of those crops. But now farmers can store those crops by keeping them in cold stores and this will facilitate the exporting companies and the income of the farmers will also increase. Some farmers can jointly open a cold store for their crops, through which farmers can keep their crops safe and sell those crops gradually as per the requirement.

### **Conclusion:-**

Small and marginal farmers in India are unable to invest in technology. Due to which their productivity does not increase. Due to not getting enough market for the farmers, the income of the farmers is very less and they take steps like suicide by getting trapped in the cycle of debt. Technology can be taken to the farmers through cooperative, corporate and contract farming. By doing corporate farming farmers can get a big market but we also get to see some side effects of corporate farming. In some cases the corporate companies exploit the farmers. We have seen many such examples in India also where corporate companies have exploited the farmers. If we have to stop the exploitation of the farmers, then the Government of India will have to make such laws which can protect the interests of the farmers. India needs to bring a big revolution in the agriculture sector at present. Which can be brought through corporate farming, contract farming, cooperative farming, but in a developing country like India, the government should not hand over agriculture to corporate companies. The government should continue to make efforts to safeguard the interests of the farmers and ensure that the farmers get a fair price for their crops. Government of India should make provision of Minimum Support Price (MSP) for the farmers.

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