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**CONSTITUTIONAL VALIDITY OF THE FARM LAWS PASSED BY THE  
INDIAN PARLIAMENT**

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**ABSTARCT**

We all had witnessed the farmers' protest in 2020-2021; the farmers were protesting against the three farm laws that were passed by the parliament for the welfare and benefit of the farmers in India. It was passed on 27<sup>th</sup> September, 2020.

The parliament had passed the laws for the benefit of the framers then why are the farmers protesting against the laws? What is that the farmers felt wrong in the farm laws? What had happened with farm laws after the farmers protest? What is the Constitutional validity of the farm laws?

The answer to all the above questions are discussed in this Article named The Constitutional Validity of the Farm Laws Passed by the Indian Parliament.

**Key words:** Farmers protest, Farm laws, Constitutional validity of the Farm laws.

**INTRODUCTION:**

These Farm laws and Farm Acts are used synonymously.

**What are the three Farm Laws?**

There are three farms laws which were passed by the Indian parliament after the President of India had agreed to the Farm Bills. These farm laws were passed on 27<sup>th</sup> September, 2020.

The three farm laws are as follows:

1. Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act.
2. Farmers' (Empowerment and Protection) Agreement on Price Assurance Act.
3. Essential Commodities (Amendment) Act.

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## **CHAPTER 1:**

What are the Farm laws? Why were the farmers protesting against it?

### **What are the three Farm Laws?**

There are three farms laws which were passed by the Indian parliament after the President of India had agreed to the Farm Bills. These farm laws were passed on 27<sup>th</sup> September, 2020. The three farm laws are as follows:

1. Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act.
2. Farmers' (Empowerment and Protection) Agreement on Price Assurance Act.
3. Essential Commodities (Amendment) Act.

### **What does the Produce Trade and Commerce (Promotion and Facilitation) Act do?**

It establishes a national framework for contract farming, through an agreement between a farmer and a buyer prior to the production or rearing of any agricultural products.

#### **Provisions:**

- a. Farming Agreement.
- b. Minimum Period of Farming Agreement.
- c. Maximum Period of Farming Agreement.
- d. Pricing of Farming Produce.
- e. Settlement of Dispute.

### **What does the Farmers' (Empowerment and Protection) Agreement on Price Assurance Act do?**

Beyond the actual grounds of Agricultural Produce Market Committee (APMC) markets and other markets alerted under state APMC Acts, it facilitates intra- and interstate exchange of farmers' produce.

Provisions:

- a. Trade of Farmers' Produce.
- b. Alternative Trading Channels.
- c. Electronic Trading.
- d. Market Fee Scrapped.

**What does the Essential Commodities (Amendment) Act do?**

It is a law passed by the Indian Parliament in 1955 to guarantee the delivery of specific goods or commodities, the supply of which, if hindered by hoarding or black marketing, would have an impact on peoples' daily lives. This comprises food, medication, fuel (petroleum goods), and other items.

**Powers of the Central Government:**

In order to make a variety of goods readily available to customers at reasonable rates, the Government of India will control the production, supply, and distribution of these goods.

The MRP (Maximum Retail Price) of any packaged good that the government designates as a "essential commodity" may also be fixed by the government.

Depending on the scenario, the Centre may add goods to this list and remove them when things get better.

The government has the authority to announce stock-holding restrictions on a commodity for a given time period if there is a shortage of it and its price is rising.

**Powers of the State Government:**

- a. Amendment.
- b. Stock Limit.
- c. Calculation.

### **Reasons behind the Protest by Farmers:**

The Farmer Unions assert that the Acts will undermine the Minimum Support Price Mechanism and forecast that, over time, corporate entities will gain control over crop pricing, resulting in farmers receiving significantly less for their products than the current MSPs.

Farmers are worried that the "Mandi" system's virtual demise will lead to a great deal of uncertainty regarding the guaranteed prices of their products. The same reason will also cause the commission agents to cease operations.

Additionally, it has been noted that the Acts do not specifically mention "Minimum Support Price"; rather, they merely state that the contract will be at a "pre-agreed price," which worries farmers because they believe there is no assurance that it will be implemented in a practical way and that they will be forced to accept whatever rates are offered to them. The farmers and their unions share this desire for an MSP Bill.

Another problem is the volatile history of contract farming. With contract farming, it is also possible for private firms to refuse to pay farmers for the goods they have supplied, often using evasive justifications like "substandard produce quality." A sizable number of farm produce non-purchases have been reported in the past with the justification of "substandard quality," which eventually drove farmers into a debt trap. Farmers are compelled to sell their land as a result.<sup>2</sup>

### **CHAPTER 2:**

#### **What is the Constitutional validity of the Farm Laws passed by the Parliament?**

1. The aforementioned advantages would help to corporatize agriculture in accordance with the Act. Since the Act makes no mention of a set MSP, there may not be enough demand from nearby farmers for its goods.
2. Most farmers are small-scale landowners who lack the resources to transport their goods over long distances. In the end, their products will be offered for sale in the neighbourhood market for less than the MSP.
3. The negotiation strength of the parties involved is the fundamental issue with contract

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<sup>2</sup> Aabir Shoab, *The Constitutional Validity of the Farm Laws (2020) in light of the Indian Farmers' Protest of 2020-21*.

farming. Farmers may not receive a fair price for their produce from corporations or wealthy sponsors because they are unable to engage in fair negotiations or afford any form of long term agreements.

4. Agro-ecological variety in the nation will suffer greatly if the entire farming sector ultimately falls into the hands of capitalists who will use the land and the farmers for their own personal gain.
5. The regulation of stock limitations has undergone adjustments in order to leverage private and foreign direct investment in the agriculture industry. The value chain participants in agricultural agreements will also be exempt from the Stock Limit Regulation if their stock limits stay within their installed capacity. As the government lacks knowledge of the ownership and whereabouts of stocks, this would also legitimise hoarding.
6. The existing law will create a parallel market that will circumvent the demands of the current APMC, for which completely different standards apply. A licence and a certain amount of tax are required of the dealers in APMCs. Similar to how the state government will lose its ability to regulate the trade in products with the advent of private sponsors. Additionally, the mandis will collapse as a result of this.
7. The farmers, who are the real stakeholders, were not properly consulted when these Acts were being created. Farmers are not given guaranteed prices (MSPs) under the control of private players. In a similar vein, market regulation by the state government is not made possible by transactions and prices.

## **CONCLUSION**

In either the old or the new system, the farmer is never allowed to control the price of his agricultural products. The pricing is always established by a third party and is susceptible to wide variations. It is immediately necessary to apprehend the parties involved and reevaluate the current policies. Corporatization of agriculture may worsen farmers' depression, according to experience from other countries.