“Let us all work for the Greatness of India.”
– The Mother
Successful Future
(Full of Promise and Joyful Surprises)

Botanical name: Gaillardia Pulchella
Common name: Indian blanket, Blanket flower, Fire-wheels
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A Declaration

We do not fight against any creed, any religion.
We do not fight against any form of government.
We do not fight against any social class.
We do not fight against any nation or civilisation.
We are fighting division, unconsciousness, ignorance, inertia and falsehood.
We are endeavouring to establish upon earth union, knowledge, consciousness, Truth, and we fight whatever opposes the advent of this new creation of Light, Peace, Truth and Love.

— The Mother

(Collected works of the Mother, Vol. 13, pp. 124-25)
FARMERS’ PROTESTS AND THE NEW LAWS: SEPARATING FACTS FROM MYTHS

Faced with yet another barrage of protests at the end of the year, the Modi government this time is at the receiving end of farmers’ ire against the three farm laws that were enacted by the government this year. Starting November 27th, the protests have been going on for more than a month now at the Delhi-Haryana border and near the Ghazipur border of Uttar Pradesh. While the laws against which the protests are going on were passed in September, the opposition could not muster any response from the farmers. The all-India Bharat Bandh that was called in late September was a spectacular failure. However, after what looks like much meticulous planning and funding arrangement, the Leftist unions have finally managed to mobilize the farmers of Punjab – and some from Haryana – to sit for a long-drawn protest.

Despite several – six so far – rounds of talks between the protestors and the government, and despite the government’s willingness to concede on all major points (including a written assurance that Minimum Support Price will not be scrapped), the protestors have refused to relent, demanding a complete roll-back of the three farm laws, in addition to legalizing the Minimum Support Price (MSP). There is no sense, only sensationalism on the display in the protests, backed by the full power of money and media publicity. After the sixth round of talks, it appeared as if farmers’ unions were thawing their anger somewhat, but there still continues to be uncertainty in the face of the vested interests that are driving this protest.

In this article, we will give a brief insight into the real nature of the current protests, the existing agricultural system they seek to protect against the new laws, and the larger
repercussions of the whole issue.

THE BACKGROUND TO THE PROTESTS: THE EXISTING SYSTEM PRIOR TO THE NEW LAWS

The current system of agricultural procurement in India is governed by state procurement of the agricultural produce of the farmers, at Minimum Support Price (MSP). MSP is a safety net given to the farmers to ensure guaranteed prices and assured markets for their produce – a minimum price guaranteed to the farmers at which they can expect to sell their produce of the season.

MSP was first introduced in India during the 1960s when the country was deficient in food production and had to rely on shipments of food aid from the United States. As a result of the food crisis and to become self-sufficient in food production, the Indian government introduced the Green Revolution technologies. In order to incentivize the farmers to plant input-intensive, high-yielding varieties of wheat and rice, the government introduced the MSP regime as a safety net guaranteeing assured returns to farmers, in the face of increased production.

The MSP system, introduced at the time, provided a way to ensure that the government had stock of essential food crops so as to avert scarcity and which could be sold to the poor at subsidized rates under the PDS mechanism, while also alleviating farmer distress. The system now ensures that the government is able to control inflation in the market, by selling from its excess food stock, under PDS, whenever the prices rise beyond a point.

MSP is announced twice a year, for every Kharif and Rabi cropping season, by the government for 23 crops. There has never been an obligatory law for MSP. It is just a provision in
WHY THERE SHOULD NOT BE A LAW FOR MSP:

In a market economy the forces of demand and supply determine the prices in the market. All attempts to fix prices without changing the forces behind demand and supply lead to corruption. The bitter experience of the five decades of economic planning beginning in 1951 should have taught us the lesson, but it seems that it hasn’t. During the first five decades our attempts to intervene in the markets through legislation for clearly laudable objects such as economic equality and help to the weaker sections of the society led to the stagnation of our economy and the spread of disease of corruption in the whole functioning of our society – a disease with which we are still fighting hard with the same ineffective legislative methods with the help of an utterly inept and corrupt bureaucracy.

In the present MSP regime – the details of the working which are discussed in the following few sections of this article – instead of attempting to fix prices in the market, the government simply offers to buy at a certain price the produce of the farmers. If this could work perfectly – which given the logistics and actual difficulties involved in its implementation it cannot – there will be no need for any further intervention. The farm products will never be sold in the market at prices lower than the MSP – it could be more but never less if the farmers could easily sell to the government at the MSP. They are not able to do it because: (i) The government’s purchase centers are often quite far from the points of production (the farms) and, therefore, there are significant costs involved in transporting and delivering it to the purchase centers, (ii) There are also problems in grading and ascertaining the fitness of the produce. It is necessary to ensure that the produce sold to the government is a farm product bought in the market cheaply to
be resold to the government at a much higher (MSP) price. Given
the lack of transparency in the functioning of the expensive
government bureaucracy, this inevitably leads to significant
leakages – a part of the cost of which is borne by the farmers and
the rest by the people in general (all taxpayers), (iii) There used
to be lot of delays and leakages (costs to the farmers) in getting
their payment in time from the government and the farmers
often had to resort to the middle man in spite of the significant
costs involved in such things. The situation on this front seems
to have improved somewhat as many leakages have got shut
due to the Modi Government’s practice of transferring funds
directly to the accounts of the sellers. But there are still areas
and situations where timely payment is still a problem and the
delays and the intricacies of bureaucratic processes are such
that most small farmers are able to receive only a fraction of
the MSP as they find it very hard and unprofitable to approach
the government directly and sell it to the middle men at prices
much lower than the MSP. It is especially so in the case of very
small size farms (as in Bihar) where the volume to be sold is
much smaller as compared to the bigger farms (as in Punjab).

All the above is only one side of the cost of the
government’s intervention in the agricultural market. There
are even much greater costs involved – ultimately paid by the
common people – especially those consuming the grains made
available through the PDS. Not only are there costs involved in
transportation to the FCI storage centers and back from these
to the PDS or the market, there are far greater costs associated
with the storage and the preservation of grains so stored. An
indiscriminate use of chemical preservatives run havoc with the
health of the consumers of the grains stored in the government
granaries. The deteriorating quality of food, water and air is the
most significant factor behind the endless spiraling of diseases
and epidemics with their attended huge costs to the health and
well-being of the people.

If no one is legally allowed to sell or buy below a stipulated MSP – as the agitating farmers are demanding – the government will end up buying and storing a much greater fraction of the farm production than it currently does. This will adversely affect our well-being. No doubt, given that the demand for basic necessities such as food tends to be very inelastic, most of the burden of an increasing MSP may fall on the consumers and benefit the farmers to that extent. But, as enumerated above, the huge costs attended with such government intervention will not only not benefit the farmers but will be detrimental to the health and well-being of all the people (including the farmers). Making buying and selling below the MSP illegal does not change market conditions and a lot of small players will still continue to find it profitable to sell at prices lower than the MSP. The only differences will be that they will have to the recourse to underhand practices and bear the additional cost of buying off the bureaucratic machine to escape the eye of the law – a thing easily done in our country in almost all the spheres of life. This kind of thing will further add to the disease of corruption which inspite of the best efforts of the Modi government is proving incurable.

It seems much more efficient to openly and transparently transfer money to the farm sector directly – as the Modi government is increasingly trying to do – so that the farm sectors receives all that is paid out of the treasury without any significant attendant cost. As we have seen, there are huge costs attached to the course demanded by the agitating farmers. Even as it is, the procurement of the surplus by the FCI has resulted in overflowing subsidized rates. In June 2020, the FCI’s stock was 97 million tones much higher the buffer requirement of 41.2 million tones, with economic cost just
of the dead locked in capital being more than 1.8 lakh crore rupees (Gulati, 2020). It is not just the economic cost of the locked-in capital that matters, but also the fact that the grains stored therein are highly susceptible to rotting – thanks to the careless handling by the government bureaucracy – and have to be chemically preserved through cold storage, which makes that a public health hazard.

**The Functioning of APMCs:**

The MSP system hinges on the functioning of the Agricultural Produce Marketing Committees (APMCs). Prior to the new laws, farmers could not sell their produce, for which MSP is announced, outside their own local APMCs, which were located usually in or near the areas where they resided. APMCs are designated market areas with each area having an Agricultural Marketing Committee appointed by the Government. Such a committee may set up one or more government-run markets in which trading of agricultural produce may take place. Various states have been notifying APMC laws since the 1960s.

Prior to the new laws, APMCs were recognized as the only legitimate market areas, and no parallel markets or trading areas could be established. Crops for which MSP was announced had to be sold to the traders at APMCs only. At the APMC markets, the farmers sell to the traders via intermediation of Commission Agents.

**Often, in practice, there is extreme bureaucratic corruption in the functioning of APMCs.** Resting upon a commission-based network, only licensed intermediaries can operate in these markets. These intermediaries include commission agents, wholesalers, transporters, railway agents and storage agents, among others. Over the years these have led to interconnected oligopolies where the same group of local business families rule over these markets (Choudhury, 2020). There is
often cartelization of traders and of Commission Agents or middlemen, who dictate prices and deduct from the final price due to the farmer, by charging extremely high commission fees. Commission Agents further deduct outstanding loan amounts (and interest fee) that a farmer may have borrowed from them in need.

Middlemen are extremely organized. They purchase several quintals in bulk from farmers and they are hand-in-glove with government agencies. And then they sell the produce in bulk to government. This system is extremely well-organized in Punjab and to a great extent, in Haryana also.

The government uses MSP as a supply-side measure, releasing food grains whenever there is price rise. Corruption in procurement process due to bureaucratic hurdles and nexuses ensures that there are always some gaps in procurement, and the MSP does not get operated in practice. For, given the huge costs involved in storage and handling, the government, rationally, has an incentive to protect the malfunctioning of the system, fulfilling its own purpose without going all the way to procurement.

Organized and big farmers can contest the system and protect their interests, as farmers in Punjab and Haryana do. But in India, majority of Indian farmers are small and the volume of production by individual farmers is too little, and the APMCs are also few and inaccessible. Due to these factors and resource constraints, farmers end up selling at throwaway prices to local traders outside of APMCs. Just for 5 or 10 quintal of produce, the small farmer cannot bear the cost of going through the pain and effort of complicated formal processes in government procurement.

In states like Punjab, where volume of production is large, the farmers can participate in the APMC system. But in a state
like Bihar or UP, the farmers consume most of the subsistence produce themselves and have very little to sell. And for them to go through all kinds of government requirements is very inconvenient and very expensive.

In practice, the APMC mandi system has imposed a lot of costs on the farmers. As a study points out, “APMC mandis currently levy a market fee on farmers who wish to sell their produce in the mandis. This makes it expensive for farmers to sell at APMC mandis. In addition, farmers have to arrange for their produce to be transported from their farms to the nearest mandi, which brings in costs such as transport and fuel. In transporting the produce from the farm to the store, several intermediaries are involved. These intermediaries are all paid a certain proportion of the price, as commissions. Thus, the market price which the farmer receives for his produce is significantly lower than the price at which his produce is sold to the retailer”(Deshpande, 2017).

Due to various inefficacies and corruption in the APMC system, country-wide nearly 94% of the farmers are dependent on private markets, as per Shanta Kumar Committee report (Mahapatra et al., 2020). Former agriculture minister Sharad Pawar had informed Parliament in 2009 that 71% of farmers are either unaware of or do not understand the concept of MSP (Sharma, D., 2020). The reasons have to do with majority of farmers being very small farmers who lack the means to access APMCs, often finding the process too costly or complex or remote, lack of a web of well-oiled Agricultural Produce Marketing Committees (APMCs) as present in Punjab and state government incentives wherein states like Punjab and Haryana subsidize their farmers heavily, etc.

At present, small and marginal farmers who form the majority have very low access to APMC markets – at the rate
of one market for an area of 434.4 sq. km on average instead of the recommended one market for 80 sq. km. As a result of these and other factors, **MSP regime ends up benefitting only 6% of the farmers**, according to Shanta Kumar-headed High-Level Committee on Restructuring of Food Corporation of India (FCI). (The Hindu, 2020).

**AN END TO THE EXISTING SYSTEM:**

India does not provide direct income support to the farmers. Instead, the country presently runs the world’s most expensive and one of the largest food procurement programmes.

Under the existing system, after calculating the cost of cultivation, the government-run Commission for Agricultural Costs and Prices (CACP) recommends the Minimum Support Prices (MSPs) for 23 commodities.

The Food Corporation of India (FCI), the government procurement agency, usually buys only rice and wheat at closer to MSP benchmark due to a lack of storage and funds. After buying rice and wheat from farmers at MSP, the FCI sells the grains at highly subsidized prices to the poor, under the Public Distribution System (PDS). The government compensates the FCI for its losses.

Under the system, farmers producing rice and wheat get guaranteed price support for their output, while their inputs – such as water, electricity, fertilizer, seeds, etc. – are either free or subsidized. Water-intensive rice has depleted Punjab’s groundwater, while about 10% of the state’s budget is spent on power subsidies alone.

Due to the guaranteed prices offered by the government, farmers, especially in Punjab and Haryana, are encouraged to produce large quantities of rice and wheat. Higher production puts pressure on the FCI to buy extra supplies from farmers, resulting in overflowing state warehouses, rotting supplies and a rising subsidy bill. Despite sitting on massive mounds of rice and wheat, the FCI finds it challenging to export this surplus, as the annual rise in MSPs and its own storage costs make FCI’s rice and wheat more expensive than world prices, making the sale uneconomic. Only once in a while, the Indian government gives small quantities of rice and wheat to other countries through diplomatic deals.

The existing system benefits mainly rich and politically-influen-
tial farmers from Punjab and Haryana, while the poor farmers from states like Uttar Pradesh and Bihar are forced to sell their supplies at a discounted rate (going up to 25-35%) to APMC agents/arhtiyas from Punjab and Haryana. Punjab and Haryana have developed mandi infrastructure and procurement system, thereby enabling them to sell almost their whole produce to the government, whereas in Bihar and UP the infrastructure is weak and there are too many bottle-necks.

Source: Bhardwaj (2020); Sharma (2020)
LIMITED SCOPE OF MSP PROCUREMENT:

Therefore, in the current system, for majority of farmers, the question of benefitting from the MSP regime has been remote. In practice, MSP doesn’t function well for all crops, except wheat and rice, as procurement by government is done on a large scale for mainly wheat and rice, due to their importance to the government’s PDS system.

It is only for wheat and rice that large-scale government procurement is done at MSP or above MSP and mainly in Punjab and Haryana. In many other states and for many other crops, albeit listed under MSP, the procurement is usually less and the average price of the crop is less than the MSP.

*Table: Procurement of Major Crops by Government (2019-20) (in Million Tonnes):*

<table>
<thead>
<tr>
<th>Crops</th>
<th>Procurement</th>
<th>Production</th>
<th>% Procured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>51.23</td>
<td>118.43</td>
<td>43.26</td>
</tr>
<tr>
<td>Wheat</td>
<td>38.99</td>
<td>107.59</td>
<td>36.24</td>
</tr>
<tr>
<td>Cotton</td>
<td>104.62</td>
<td>354.5</td>
<td>29.5</td>
</tr>
<tr>
<td>Chana</td>
<td>2.1</td>
<td>11.35</td>
<td>18.47</td>
</tr>
<tr>
<td>Arhar/Tur</td>
<td>0.72</td>
<td>3.83</td>
<td>18.8</td>
</tr>
<tr>
<td>Moong</td>
<td>0.14</td>
<td>2.46</td>
<td>5.69</td>
</tr>
<tr>
<td>Mustard</td>
<td>0.8</td>
<td>9.12</td>
<td>8.78</td>
</tr>
<tr>
<td>Groundnut</td>
<td>0.71</td>
<td>10.1</td>
<td>7.03</td>
</tr>
</tbody>
</table>

*Source: IE (2020)*

Over the years, the system has changed, depending on different local contexts. In many states, farmers are now able to directly sell to private players. The only reason corporate sourcing directly from farmers has picked some pace in recent years is because state governments have different set of agri-trade rules, with many allowing contract farming and selling...
directly to private players. That is why we have players like Reliance Retail sourcing directly from farmers, ITC’s e-Choupal which does the same. Other examples include Bigbasket, Milkbasket and various other urban retail chains.

However, overall, at the national level and in states which have strong APMC rules, the lack of parallel markets due to APMC regulations do not leave farmers with much choice.

Since agricultural trade is a state subject under the Indian Constitution, therefore, over the years, many states have progressively amended their APMC Acts to provide for more freedom to the farmers to sell directly to retail chains and businesses.

The then NDA government had also passed the Model APMC Act in 2003, which was not notified by more than six states. The law sought to bring in new market channels such as private wholesale markets, direct purchase, and contract farming, single market fee, as well as simplification of the licensing system. Along similar lines, in 2017-18, the central government released the model APMC and contract farming Acts to allow restriction-free trade of farmers’ produce, promote competition through multiple marketing channels, and promote farming under pre-agreed contracts.

Currently, around 18 states have private markets in agri-trade, 19 states have provisions allowing direct purchase of agri-produce and 20 states already have contract farming laws (Himanshu, 2020).

Overall, farmers here get huge subsidies from the government – to the tune of 2-2.5% of the GDP, which is much higher than subsidies farmers receive in US, Europe, Latin America or Japan. Total subsidy in India is in the range of $45-50 billion. In US, it is $20 billion, in European Union
it is $39 billion and in Japan it is $46 billion (Gupta D., 2020). Due to **distinctive conditions of Indian agriculture dominated by very small farmers** and characterized by majority of small landholdings, small incomes and lack of direct access of farmers to government procurement systems, the **per farmer subsidy is only $48, compared to $7000 in the US** (Gupta, 2020).

**The Functioning of a Current System in Practice: The Exchanges between Punjab and Bihar**

Presently, the protesting farmers of Punjab – and to a much lesser extent, of Haryana – are at the forefront of the protests. They are the two states from where the largest quantity of procurement by FCI, for wheat and paddy, takes place.

In Punjab, which has a deep-rooted and effective system of mandis, commission agents and middlemen, more than 95% of the farmers benefit from MSP in rice and in Haryana more than 70% benefit from it, while in Uttar Pradesh only 3.6% farmers benefit from it and in West Bengal only 7.3% rice-growers benefit (Sharma D., 2020).

This is despite the fact that Uttar Pradesh is the largest producer of wheat in country, and yet it contributes only 11.5% to government procurement (Mahapatra et al., 2020). The reasons are because of the shabby and inefficient procurement process in other states, lack of wherewithal and resources with small farmers to transport their produce to mandis, costly process of accessing government procurement channels etc., compared to Punjab and Haryana.

While Punjab and Haryana are the major states, with a large production of wheat and rice, and well-connected markets and relationships with agents to effectively ensure procurement, poorer farmers from states like Bihar and Uttar Pradesh are forced to sell at a discount to agents from
Punjab and Haryana. Despite numerous FIRs over time, traders purchase paddy at prices varying between as low as Rs 800 to Rs 1,200 per quintal from Bihar and UP farmers (inclusive of transportation and other costs) and transport it all the way to Punjab, where it is sold at a MSP of Rs 1,888 per quintal.

The system works simply because of more effective procurement at MSP in Punjab, as compared to other states. In Punjab’s mandi system, every purchase is recorded and payment is made swiftly to the farmers, many a time through online transfers. Farmers from Bihar and UP are not able to sell their produce at MSP in their own state, effectively because of several bottlenecks – such as procurement starting late while farmers need the money immediately for the next crop, payment getting delayed for 3-4 months at a stretch even after procurement, mandis often rejecting the produce for not meeting quality requirements etc. In eastern UP, where very few APMCs are functional, the procurement is not more than one-third of the total produce.

In Bihar, with APMCs abolished in 2006, government procurement is done through Panchayat-level committees, with the procurement starting so late that most of produce would have been sold-off by then. Also, there are very few procurement centers in Bihar. FCI does not do procurement from Bihar.

It is the Bihar government which fixes its own target for procurement and then uses it under the Public Distribution System (PDS). But often the Bihar government is unable to meet its annual PDS targets for wheat and rice, and the FCI then plugs in the shortage in produce through its procurement done from other states. Average paddy production in Bihar is between 70-80 lakh tonnes. But the state’s paddy procurement in 2019-20 was just 20.02 lakh tonnes. On the contrary, the state’s
The annual requirement of rice under the PDS is approximately 40 lakh tonnes. The gap is met by the FCI from other regions on a payment basis (Gupta V., 2020). The reason for this lies in the procurement process in Bihar.

It is a very inefficient and inaccessible process for procurement in Bihar, where majority of farmers are small and marginal, and do not have the wherewithal or resources to undergo the whole registration and certification process. For sale of paddy, farmers in Bihar have to register themselves online with the co-operative department, but data reveals that there is poor procurement in the state through the government agency.

In the financial year 2019-2020, only 409,368 farmers submitted applications online for paddy procurement. Out of which only 6,184 applications were accepted. For the current year’s (2020-21) procurement, only 21,879 farmers so far have submitted applications online, out of which 631 applications have been accepted (as of October 30, 2020) (Ray, 2020).

In Bihar procurement is done through Panchayat-level, Primary Agricultural Credit Societies (PACS). PACS themselves have to operate under constrains. They first take a limited loan from cooperative banks at interest, and then they procure from farmers. Then they process the paddy into rice and then sell it to the government. The money they get from the government takes its own time. The loan amount they received was also far less than the purchase target given by the government – around 25% of the purchase target (Ray, 2020).

The target given to them by the government is also not met, as they are unable to pay the farmers on time, and start the procurement process so late that farmers would have already sold in the open market by then. Similarly, if they buy 100 kg of paddy, they are paid only for 66 kg by the government, with the
government saying that there would be 34 kg of husks in 100 kg of paddy (Ray, 2020).

In terms of wholesale markets in Bihar, the local municipal bodies set up wholesale agricultural markets along the roadside in different areas. While farmers can sell to anyone they want without being attached to commission agents such as in APMCs, yet, the local municipal bodies that set-up these markets charge 1% of the selling price each from the farmer and the buyer as a facilitation fee, thereby making it akin to the APMC tax (Swaroop, 2020).

Unlike Punjab, Bihar has small and marginal farmers who do not produce at a scale to be able to sell directly to the government or to big retail platforms. They also do not have well-connected market yards and APMC system, like Punjab. Unlike Punjab, they also do not get heavy state subsidies – like power subsidy – for farming. A Niti Aayog report of 2015 described how the abolishment of APMCs was not accompanied by cold storage facilities and other important infrastructure that can incentivize private sector to operate (Mandal, 2020).

When Bihar initially abolished APMCs in 2006, the supply chain broke badly as the state did not have enough infrastructure or attraction of private capital. It also had a skewed political economy. However, it partially revived the system in 2013 and government procurement has been occurring in Bihar since 2013’s but APMCs do not have monopoly.

It is due to political economic (lack of subsidy, networks of patronage etc.) and other political factors combined, that Bihari farmers are forced to sell to Punjab traders at heavily discounted prices. Even when the APMC system was there in Bihar prior to 2006, there was little to defend its performance.

In contrast to Bihar, in Punjab to a very great extent, almost
the entire produce that is brought to the mandi is procured – because, politically, Punjab’s farmer lobby has been much more rich, powerful and stronger and much more subsidized than in other states.

Therefore, this illegal smuggling of grains from states like UP and Bihar to be sold at MSP in Punjab has been happening for several years now. Farmers in Bihar and UP sell their wheat and paddy to traders in their own state. The produce is usually sold at very low prices, due to ineffectivity of government procurement system. It is more like a distress sale by small farmers. These traders keep their profit margins of at least Rs. 200-300 per quintal, spend another Rs. 150-200 per quintal as transportation charges and the remaining margin is pocketed by the middlemen in Punjab. This produce is sold at MSP rates in Punjab. The traders and commission agents keep their commission and make neat profits.

Ever since the new laws were implemented in September 2020, restrictions limiting farmers to APMCs have been removed and buying and selling of farm produce to anyone in any part of the country has been allowed. However, the Punjab government chose not to implement the new farm laws. Instead, it passed its own bill making MSP a legal right viz. any sale or purchase of farm produce below MSP would be a punishable offence – although it has not been implemented, just passed by the Assembly. The open market rules under central laws have amplified the transport of farm produce from Bihar and UP to Punjab. That is why truckloads of grains from Bihar and UP have been arriving to be sold at MSP in Punjab.

The nexus of corruption throughout has also come to light. The estimated paddy production in 2019-20 in Punjab was around 150 lakh tones out of which only the surplus would have been sold at the MSP. On the contrary, the FCI’s
total paddy procurement in the state for 2019-20 was 162 lakh tonnes, which means that a large amount was brought from elsewhere (Gupta, 2020). The officials are involved as well, as leaked conversations between a trader and a district official show them discussing issues like posting a favourable police officer at the check-point and how much commission to keep (Gupta, 2020).

**Often, local police are hand-in-gloves with traders and help to allow entry of the paddy.** Punjab farmers fear that they will suffer as a result of excessive produce coming in from other states, as excess paddy from other states will crowd out the local market and their produce might not be procured, as a result. Punjab farmers have tried to check this smuggling, by stopping trucks coming in from other states and complaining to the police, but it has not been very effective.

**A Positive Angle:**

In addition to the aspect about Bihar produce coming to Punjab to be sold at MSP due to prevalent political-economic conditions in Bihar, we must also mention the **positive aspect about recent changes in agricultural patterns.** Farmer suicides in Bihar have reduced to zero in the last few years, due to diversification of agrarian produce in Bihar beyond wheat and rice, which has led to overall high agricultural growth (Shekhar, 2020).

**Punjab has bigger landholdings –** at 3.62 ha against an all-India holding size of 1.08 ha and Bihar with just 0.4 ha (Gulati, 2020) – and the average income of a Punjabi household is 2.77 lakh per annum, while in the rest of the country in a farming household the income is only 1.07 lakh per annum. Moreover, an average Punjabi household receives a subsidy of approximately Rs. 173,165 annually, which is roughly more than income of farmers in the rest of the country (Jain, 2020).
Despite this, agricultural productivity in Punjab has declined, while in Bihar it has risen. Between 2005-15, Bihar’s agricultural growth was 4.7% compared to the national average of 3.6%. From 2015, India’s agricultural growth has been 2%, while Bihar’s is 7%. The tendency to factor in only wheat and rice has led to the criticism of Bihar, without considering the fact that Bihar is the fourth largest producer of vegetables & the eight largest producer of fruits in India (Desai, 2020).

Another reason for Bihar’s agricultural productivity is that around 70 to 80 per cent of the population is involved in agriculture and there is diversification of agricultural produce. One of the reasons for decline in Punjab’s productivity lies in the fact that the state was limited to the wheat and paddy monoculture, with land under lentils, oil, seeds, cotton considerably reducing (The Print, 2020).

In the light of the ground reality of how the APMCs function in different states – especially Punjab and Bihar – the point about APMC system benefit only big farmers, with the collusion of corrupt bureaucratic machinery, is further reinforced.

Therefore, it is not APMC and MSP system which mostly benefit rich farmers, but the system of direct cash/income transfers is best suited for the majority of small and marginal farming households of India. There is also a need to decentralize procurement operations to the state governments, so that the centre ceases to become a perpetual target of farmers’ blackmail.

In the entire well-oiled machinery, full of powerful farmers, middlemen and politicians protecting vested interests, there is little scope for advancing logical arguments that make sense. Many have been taken in by fear-mongering created by few farmer unions.
Vested interests of the state government are also involved, as the Punjab government earns 6% as market fee and 3% development cess each year, while the Centre is being forced to pay the 2.5 per cent arhatiyas commission for procurement of wheat and rice for the buffer stocks the Food Corporation of India (FCI) maintains. (Subramani, 2020). Thus, arhatiyas, who earn over Rs 1,500 crore annually from the food-grain procurement, fear that they stand to lose on this amount (Subramani, 2020).
The Three New Farm Laws

In September 2020, the government had, in the Parliament passed the three farm laws which are currently at the centre of the protest. These laws were:

• **The Farming Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 (FPTC),** allowing farmers to sell their produce to anyone anywhere in the country. It is also popularly called the Agricultural Produce Marketing Committee (APMC) bypass law. It seeks to create new inter-state and intra-state trade areas or markets outside of, and parallel to, the existing APMCs, where any buyer with a Permanent Account Number (PAN) can buy directly from farmers and the state governments cannot impose any taxes or cess on such a transaction occurring outside of APMCs.

• The rationale is to increase the availability of buyers for farmers’ produce, by allowing them to trade freely without any license or stock limit, so that an increase in competition among them results in better prices for farmers. As most farmers lack access to APMC, emergence of alternative rural and semi-urban markets may help them sell their produce more easily at better prices. The Act also promotes direct online trading of the produce within a trade area, and electronic payments.

• **The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (FAPAFS),** creates a framework for contract farming through an agreement between a farmer and a buyer prior to the production or rearing of any farm produce. It provides for a three-level dispute settlement mechanism. The minimum period of an agreement will be one crop season, or one production cycle of livestock. The maximum period is five years, unless the production cycle is more than five years.
The price of farming produce should be mentioned in the agreement. For prices subject to variation, a guaranteed price for the produce and a clear reference for any additional amount above the guaranteed price must be specified. The process of price determination must also be mentioned in the agreement.

- **Amendments to the Essential Commodities Act, 1955 (ECA),** allows the central government to regulate the supply of certain food items only under extraordinary circumstances (such as war and famine), with stock limits to be imposed on agricultural produce only if there is a steep price rise. Thus, it removes the storage limit on various commodities.

**The first law is the most important and is the centre of contention in the present farmer-government deadlock.** It attempts to make the trade of farm produce easier and to provide competitive markets for the farmers, outside of the Agriculture Produce Market Committees (APMCs), to sell their produce. Most importantly, it does not abolish the existing APMC laws. It simply limits the jurisdiction of APMCs to their own markets. As a possible advantage, increased competition may also make APMCs more efficient in providing cost-effective services for marketing, and for farmers selling their produce outside the APMC markets, the prices prevailing in APMC markets can serve as a benchmark price, helping in a better price discovery for farmers (PRS, 2020).

Even though the laws do not mention MSP at all, these have led to fear among the farmers that the new market system will gradually make the APMCs redundant and, thereby, slowly phase out the MSP. Farmers argue that, eventually, this would leave the farmers at the mercy of private traders who will force them to sell their produce at throwaway prices. Giving into conspiracies and paranoia without proof or concrete evidence, they have also alleged that big corporates like ‘Ambani-Adani’
would set up their collection centers and chains throughout the country, wipe out other competition and keep the farmers at their mercy.

Thus, despite government assurances that MSP will not be touched and procurement would continue, farmers have demanded not only the repeal of existing three laws, but also a new law to provide legal status for the MSP regime.

The protestors’ argument that free markets will phase out APMCs and MSP and result in private traders – or big one or two corporate houses – forcing farmers to sell their produce at throwaway prices, is a big assumption. It is not borne out by existing facts. There are at least 18 Indian states, where free markets have been operative, including Kerala – and none of them have seen monopolization by corporates or exploitation by private entities.

Indeed, less than 10% of all crops today are sold under MSP, with majority of farmers still selling to private traders (Jain, 2020). Not just that, but there is much higher rate of growth in fruits, vegetables and milk, as compared to cereals like wheat and rice – about 3-5 times more (Jain, 2020). This would not be possible if corporates were squeezing out the small farmers. In fact, Punjab’s farm growth has plummeted to 1.9% per year since 2005-06 while that of the rest of the country is at a much higher 3.5% (Jain, 2020).

The Larger Reception to the Farm Laws

The reception of the laws in Punjab – and to a limited extent in Haryana – and among the Sikh community has been extremely negative. The Sikh community has been antagonized to such an extent that their animosity has gone much beyond the protests against farm laws. Not only in Punjab, but in other states where Sikhs have heft such as Uttarakhand, their
community leaders have given a call for boycotting those members who support the farm laws – in Uttarakhand, the issue is not of farmer unions not supporting the laws, but of the angst of the Sikh community against the laws.(TNN, 2020). Hate politics against Modi, fostered through dubious Leftist, Khalistani and Islamic networks based abroad and in India, has magnified and fed on the Sikh insecurities.

However, with the exception of protests led by Punjab and some other communist North Indian farmer unions which have been magnified disproportionately by the media, the larger reception to the new laws has not been negative – although, even the RSS-linked Swadeshi Jagran Manch continues to support the protests. Over a lakh farmers from Haryana have pledged support to the laws, along with proposal to retain the APMC and MSP systems, and threatened to protest if they are repealed (Hindu Businessline, 2020). Bhartiya Kisan Sangh, a BJP affiliate, also refused to unconditionally support the protests, reiterating its stand that the three laws should not be repealed but implemented with amendments (IANS, 2020). Farmer unions from Uttarakhand and Haryana also lent support to the laws.

Along similar lines, Sharad Joshi’s All India Kisan Coordination Committee (AIKCC) – with presence in 28 states and one of the largest farmer organizations in the country which has been opposing the government policies till recently– pledged support to the farm laws in mid-December. It warned the government against repealing the laws and also listed other demands relating to farmers. It also said that the laws should be made optional for states to implement or reject. AIKCC is spread over Maharashtra, Punjab, Haryana, Tamil Nadu, Kerala, Telangana, Uttar Pradesh and Bihar(Dutta, 2020).

This reception and the failure of the movement to pick
up pace has unnerved the protestors, forcing them to resort to activities that have further exposed them. The protestors, mainly from Punjab, in the middle of December, wrote a letter to the government asking it not to hold talks with other farmers’ organizations (PTI, 2020).

The protestors also exposed their irrational motivations when they refused a comprehensive offer by the government – in early December – to make significant major amendments to the three farm laws. These included significant concessions like giving a written assurance that MSP would be retained, transactions outside APMC mandis would also be taxed so as to give the APMCs a level playing field, and there would be mandatory registration for all private traders. The government also agreed to the farmers’ demand of modifying the dispute settlement mechanism, allowing legal recourse to civil courts and gave an assurance on electricity subsidy and also an assurance that law on penalizing stubble-burning would not be introduced.

The Left’s Desperate Antics and the Larger Nexus

The hand of the Left is visible all over this protest. Key farmer union leaders spearheading the protests – and brainwashing Sikhs and other farmers – have been known to have close links with Leftist terrorist and ideological forums.

1. Satnam Singh Pannu – President of Kisan Mazdoor Sangharsh Committee (KMSC)
   • Does not share good relations with other farmer outfits.
   • Refused to call off protest even after others had done so near railway tracks in Amritsar.

2. Joginder Singh Ugrahan – Founder and Punjab
President of Bhartiya Kisan Union (Ekta Ugrahan)

- Is attempting to coordinate and unite the pro-LWE (Left Wing Extremism) kisan/mazdoor/employees/teachers organisations.

- Responsible for aggressive aspects of the protest, like ‘rail roko’ andolan and burning of BJP leaders’ effigies and gheraoing their houses.

- Raised demand for release of writers, intellectuals and poets, including those arrested under UAPA, such as Umar Khalid (Delhi Riots case 2020) and Varavara Rao (Bhima Koregaon case 2018)(Brar, 2020).

- Already 34 pro-LWE forums are active in the agitation via Punjab.

3. **Surjit Singh Phool** – Punjab President of BKU-Krantikari
   
   - Was booked under the UAPA in 2009 after being accused of having links with Maoists.

4. **Darshan Pal** – Punjab President of Krantikari Kisan Union.

   - One of the founders of the Maoist outfit, People’s Democratic Front of India (PDFI).

   - Has close contacts with senior leaders of pro-CPI/Maoist groups, such as Satwant Singh Wazidpur (Inqlabi Lok Morcha which is pro-CPI/Maoist), Buta Singh Burjgill (state presidnet, BKU-Dakaunda which is also pro-CPI/Maoist) and other pro-LWE farmer outfits.

5. **Ajmer Singh Lakhowal** – President of BKU Lakhowal

   - Had opposed the alleged state repression during
militancy in Punjab.

- He visited the UK and other countries and paid homage to Satwant Singh and late Kehar Singh, both assassins of former Prime Minister Indira Gandhi.

- He was arrested in a case of misappropriation of money of kisans in a tractor deal in 1999.

Source: IANS (2020)

Subtly, the Left – along with the Congress – is preying on the Sikh sensitivities and attempting to create a divide between Hindus and Sikhs. Many union leaders have threatened that PM Modi will meet the same fate as former PM, Indira Gandhi, while many have wished for PM Modi’s demise. Buttressing these divides, the radical and terrorist Islamic organizations – like Popular Front of India (PFI), its arm Social Democratic Party of India (SDPI), and the sympathisers of the banned Students Islamic Movement of India (SIMI) – have supported the farmers’ protest (Salam, 2020).

The motives behind the massive and sustained funding that is flowing in to execute a protest at this scale and for such a long time is also in question. It is not that the protestors are simply sitting in the cold winter to protest, but the fact is that they have all the amenities to continue their blockade. From hot water geysers, cooking facilities, medical camps and other essentials to even luxury facilities like spa/salon services, foot massagers, library etc., everything is available at the protest sites. The amount of money that is coming in to fund all this is now being belatedly investigated by the government.

Funding from Canadian and Pakistani sources and from Khalistani organizations abroad is under scanner. In September, a secessionist group, Sikhs For Justice (SFJ) announced a grant
of $1 million for farmers in Punjab and Haryana in lieu of their support for Khalistan (Singh R., 2020). Major farmer unions leading the protest are being investigated for their eligibility to receive foreign funds under the Foreign Contribution (Regulation) Act (FCRA), 2010, since organizations like the BKU are not registered under the FCRA (Scroll, 2020; PTI, 2020). An arrest has also been made in this regard (TNB, 2020). While the farmers organization, BKU, has revealed to the media that it has received 8 lakh rupees in donations in 2 months from both domestic and international sources, this is likely to be a gross underestimate and is perhaps just the amount that is publicly disclosed for the sake of maintaining an appearance of transparency (Scroll, 2020).

**Contradictions Galore**

The current protests expose the hypocrisy and contradictions of those involved. While Leftist unions are at the forefront of the protest, in Leftist states like Kerala there are no APMCs. Not only this, the union at the forefront of the protest, the Bhartiya Kisan Union (BKU) had, as recently as 2019, demanded the dismantling of APMCs and the freeing of the farmers from the clutches of commission agents or arhtiyas (BKU, 2019). The BKU is a farmer’s organization founded by Chaudhary Charan Singh in 1978 from the Punjab Khetibari Union (PKU). Its branch in western UP was founded in 1986 by Mahendra Singh Tikait. Its headquarters is in UP, but it has branches all over the country.

BKU has wide networking among other farmer unions as well as with international farmers organizations like Via Campesina. Over time, it has split into various factions. Currently, from UP, Rakesh Tikait’s BKU as well as BKU (Ugrahan) are participating in the protest in a big way. The unions claim membership running into lakhs. BKU (Ugrahan) has claimed
that nearly 1.9 lakh protestors are from their organization.

What further exposes the organizations hypocrisy is that, in the past, the BKU had released a comprehensive document, called ‘Kisan Manifesto’, demanding liberalisation/freedom of agriculture, abolition of APMC Act, Essential Commodities Act, freedom of trade, abolition of 9th Schedule of Constitution etc (BKU, 2019).

Back in 2008, the BKU and Sharad Joshi-led AIKCC had staged a demonstration in Punjab against the then UPA government, demanding that corporates be allowed to procure farm produce – arguing that while international prices were soaring, the farmers were being forced to sell at a lower price at MSP to the government agencies (The Tribune, 2008). The same unions, like BKU, that had fought for freeing farmers from APMC grip are today defending middle-men as “service-providers” and arguing that farmers want to give the commission fee to middle-men running the APMCs (NDTV, 2020).

Besides the major farmer unions who have taken a U-turn on this issue, prominent politicians also stand exposed for their double-speak. While presently, NCP chief, Sharad Pawar, is warning the government to heed the demands of the protestors, back during the UPA era, he had been one of the most vocal advocates of liberalization of Indian agriculture. In 2010, he had written a letter to Sheila Dixit, emphasizing private sector participation in farm trade, and the need to have competitive markets by amending the APMC Acts of states. In 2011, he had written a similar letter to then Madhya Pradesh Chief Minister, Shivraj Singh Chouhan, emphasizing the need for free markets in farm trade (Shakil, 2020).

In 2019, the Congress party’s election manifesto had promised to “repeal the Agricultural Produce Marketing
Committees Act and make trade in agricultural produce—including exports and inter-state trade—free from all restrictions.” It had also declared that “The Essential Commodities Act, 1955 belongs to the age of controls. Congress promises to replace the Act by an enabling law that can be invoked only in the case of emergencies.” Further, Congress advisors like former Reserve Bank of India (RBI) Governor, Raghuram Rajan, had in 2014, blamed food inflation on MSP hikes and had said that, “the Agriculture Produce Marketing Committee (APMC) Act, which governs marketing of agriculture produce, needs to be amended” (PTI, 2014).

Besides the Indian political parties, the protest has also received empathy from the Canadian Prime Minister, Justin Trudeau, who, in pandering to his own domestic Sikh vote-bank with Khalistani sympathisers, went onto defend the protesting Indian farmers. Ironically, however, Canada, along with some other developed countries, has been the most vocal opponent of India’s domestic food subsidy programme, at various meetings of World Trade Organization (WTO). At the WTO, Canada has explicitly opposed India’s MSP policy support for the Indian farmers, refusing to relent on India exceeding its permitted subsidy limits, attempting to drag India to WTO’s Dispute Settlement Mechanism and consistently questioning India’s food stocks programme since 2015 (Basu, 2020).

Not only this, but Canada has also questioned and sought details of India’s other farmer support policies, such as PM-KISAN under which income support of Rs 6,000 per year is provided to small and marginal farmer families, and, questioned Pradhan Mantri Fasal Bima Yojana, a crop insurance scheme, as a permitted subsidy under the WTO (ET Bureau, 2020).

**The Doomed System**

Regardless of the politically motivated protests that are
being staged to upend the Modi government and settle political scores, there have been good reasons why politicians and unions, cutting across party lines have, in the past, demanded reform and liberalisation of agriculture. In this section, we will explore some of them:

**Corruption and the Grip of the APMC Agents:**

Within the existing system, where farmers sell their produce to commission agents in the APMCs, there is death grip of corruption and vested interests on the whole system. In Punjab and other such states where the APMC system is particularly strong, the interaction between the farmer and the arhtiya is limited not only to the APMC market, but permeates all aspects of a farmer’s life.

In a country like India, where the majority of farmers have small and marginal landholdings, the volume of production is small and it is easily only to sell to informal arhtiyas. In return, the arhtiyas virtually dominate the farmer’s life, acting as money-lenders to them. In a state like Punjab, the system has dominantly favoured these arhtiyas making them increasingly over time. Their rates of commission increased from 1.5% fixed on the basis of Punjab Agricultural Produce Markets Act, 1961 to 2.5% in 1998, thereby increasing their prosperity and power. Farmers turn to them for money for their major expenses incurred on weddings, medicine and other emergencies. They keep farmers at their mercy, often asking for blank cheques and passbooks and charge exorbitant rates of interests, between 12 – 24%, for lending money. As of 2019, the farmers’ debt owed to them is more than 20,000 crore rupees(The Tribune, 2019).

Moreover, unlike the rest of the country where farmers are direct beneficiaries of the MSP, in Punjab, arhtiyas act as intermediaries. The Food Corporation of India and the state agencies procure the grains from arhtiyas and deposit the
MSP in their bank account. Further, the arhtiyas do their own calculation about commission and outstanding loans and then transfer the money to the farmers (Bhushan, 2020). There are around 50,000 such arhtiyas in Punjab, taking up to 8.5% cut from the farmers (Merchant, 2020; Rana, 2020).

**Linkages between Farmer Suicides and the Middle-man System:**

In many cases, the sinister nature of APMCs has led to farmer suicides and their deteriorating plight. They eat away into the margins of farmers – sometimes taking away as much as 65% from the overall sale value – and make farming a low-profit activity. The lack of profits to sustain and repay debt, leads to suicides in response to various factors like crop failure etc.

It is almost impossible for the farmers to get away from the clutches of APMC middlemen. The past laws enabled this kind of lack of freedom of choice by denying free market access to farmers. Even when APMC reforms were attempted in the past by various governments and states, they were ineffective, as powerful interests of middlemen made sure that either the law, if legislated, was not notified and if notified, was not implemented properly – except in the case of fruits and vegetables (Shekhar, 2020). In many cases, they stopped issuing licenses to private traders and started cornering the licenses themselves. One way or the other, till now, middlemen have made sure that APMC reform becomes impossible, even where individual laws may be in place (such as in Bihar).

Data from various states show how delisting fruits and vegetables from APMCs resulted in a decline or elimination of farmer suicides, particularly in Delhi and Uttarakhand. In Delhi, post-2014 APMC reforms – modelled along the lines of the present central laws – in fruits and vegetables, farmer suicides got reduced to zero (Shekhar, 2020). APMC continued
to operate, but farmers had freedom of choice to sell outside them.

**Environmental Degradation:**

The environmental impact of this system of farmer subsidies and MSP is severe, especially in Punjab, where irrational farming policies have led to a dire condition of the state’s groundwater reserves, even as air quality is impacted by stubble burning (approximately 35 million tons of crop waste is burnt annually in Punjab and Haryana) and is reaching worsening proportions every year. The power subsidies given to the farmers have led to indiscriminate withdrawal of groundwater for agriculture. Thanks to the legacy of Green Revolution, water-guzzling crops like rice are grown in Punjab, which is not suited to its type of agriculture.

In the last decade, there has been a water table decline in 84% observation wells in Punjab and 75% in Haryana (Chand & Singh, 2020). Of the 138 assessed blocks in Punjab, 109 are over-exploited, two as critical, five as semi-critical, and only 22 as safe (CGWB, 2019). Out of all the Indian states the groundwater extraction in Punjab is at the highest at 166%. If the MSP becomes a legal right, as farmers of Punjab are demanding, eventually the entire ground-water resource of the state would be finished due to overproduction of water-intensive crops like paddy. Here it should be noted how the current worked political system perpetuates nationally irrational choices. According to a study, “West Bengal can produce almost 42 kg of rice from one lakh litres (equivalent to 100 cubic metres) of irrigated water while Punjab can produce only 19 kg of rice from the same quantity of water. More precisely, Punjab consumes almost two times more water than West Bengal and almost three times more water than Bihar for producing the same one kg of rice. Bihar tops the ranking with highest productivity of
rice per unit of irrigation water consumed (56 kg/lakh litres)” (Gulati & Mohan, 2018). The reason Punjab is still growing rice is simply because of the power subsidies and because the FCI has good procurement operations in the state and there is a steady customer in the form of the government in place (Kaul, 2018).

Weak Rationale for APMCs:

The new system that the central laws seek to introduce is, in fact, already in place in several states. The APMC mandi trade accounts for less than 1/4th of total agricultural trade. Around 18 states already have private markets in agri-trade, 19 states already have provisions allowing direct purchase of agri-produce and 20 states already have contract farming laws (Himanshu, 2020). Most of the agricultural marketing already happens outside the APMCs, with only 7000 APMC markets across the country, with states like Kerala, Bihar, Tamil Nadu and Manipur not following the APMC system at all (Jebaraj, 2020).

Possible Way Out

Presently, less than 1% farmers are a part of protest. With protesting farmers in Haryana and Punjab totalling up to 200,000 and the total number of farmers in India being more than 100 million, just 0.2% farmers are effectively protesting against the new laws (Bhalla, 2020).

A way out of the current deadlock possibly lies in the central government devolving implementation of the three laws to the states, and completely decentralizing procurement operations. This way respective farmer unions will bargain with the state governments. Since there are vast differences between political economies, ground conditions, and other factors of individual states, this is the best course to take.
A step in this direction was taken as far back as 1997-98 when the Decentralized Procurement (DCP) Scheme was implemented, under which responsibility for procurement rested with the states and they were reimbursed through pre-approved costs. However, it was not very popular and was slow to take off. Currently, around 15 states have this programme, although the implementation is varied and at times sometimes has not been proactive. Data shows that till 2000, barely 10% wheat and paddy was procured outside Punjab and Haryana, but due to DCP Scheme, by 2012-13, the share of DCP states rose to 25-35% (Gupta, Khera, & Narayanan, 2020).

The current idea among protestors to bring a law to punish anyone buying below MSP will make matters worse, as lot of private traders may exit the market completely and if the FCI is not able to procure much more, then farmers would have no one to sell to. Maharashtra had tried this experiment of legalizing by amending its APMC Act in 2018, but withdrew it after facing a barrage of protests from traders (Singh S., 2020).

In terms of larger change in the system, many options could be explored. The government cannot keep procuring surplus produce without any limits – it is not able to do so even now, and that is why the produce rots in warehouses. Instead, the option of compensating farmers through cash transfers should be activated. That way the compensation for their losses would be ensured.

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HIGHLIGHTS

LOCAL ELECTIONS IN THE COUNTRY

India witnessed a series of significant local elections in some states, whose results are important to assess the current ground of the ruling party and the opposition.

DISTRICT DEVELOPMENT COUNCIL (DDC) POLLS IN KASHMIR:

DDC polls in Jammu and Kashmir were the first major electoral exercise held after the abolition of special status (under Article 370) for J&K in August 2019. Elections were held for 280 DDC seats in 8 phases, with results of 278 seats declared.

They have been a mixed bag for, both, BJP and opposition, but BJP’s performance has been admirable considering the odds in J&K. BJP has also been able to retain and strengthen its core Hindu vote-bank in J&K due to its impressive, clean-sweep performance in Hindu dominated and densely populated Jammu districts of Jammu, Samba, Kathua and Udhampur.

The main opposition was People’s Alliance for Gupkar Declaration (PAGD) or Gupkar Alliance.

This was the first time that people of J&K voted for local elections under the Indian Constitution’s 73rd Constitutional Amendment Act. Previously, dominant Kashmir-based parties and Congress have refrained from holding local elections.

This was also a peaceful (undisturbed by terrorists), free and fair election. BJP had full might of state power on its side and could have easily rig the election if it had chosen to, much like Congress and NC have done in the past. Yet, the integrity of the election was maintained. It brings back contrasting memories of the infamous 1987 elections which were jointly rig by Congress and NC, and contributed in no small measure to the rise of terrorism in the Valley.
Election results bear out all the markings of a successful election – very significant from the international point of view.

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Source: TNN(2020)

Break-up of Gupkar Alliance Seats and Vote-shares:

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Source: TNN(2020)

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**Seats and Vote-Shares in Kashmir:**

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<tr>
<td>Congress</td>
<td>3</td>
<td>4.6</td>
<td>6</td>
<td>14.3</td>
<td>9</td>
</tr>
<tr>
<td>Independents</td>
<td>21</td>
<td>44.3</td>
<td>10</td>
<td>33.7</td>
<td>31</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>3.7</td>
<td>0</td>
<td>0.2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84</strong></td>
<td><strong>100</strong></td>
<td><strong>56</strong></td>
<td><strong>100</strong></td>
<td><strong>141</strong></td>
</tr>
</tbody>
</table>

Source: TNN(2020)

<table>
<thead>
<tr>
<th>District</th>
<th>Largest Party</th>
<th>Seats</th>
<th>Vote Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anantnag</td>
<td>PAGD</td>
<td>9</td>
<td>30.5</td>
</tr>
<tr>
<td>Badgam</td>
<td>PAGD</td>
<td>10</td>
<td>48.9</td>
</tr>
<tr>
<td>Bandipur</td>
<td>PAGD</td>
<td>7</td>
<td>28.8</td>
</tr>
<tr>
<td>Baramulla</td>
<td>PAGD</td>
<td>7</td>
<td>28.8</td>
</tr>
<tr>
<td>Doda</td>
<td>BJP</td>
<td>8</td>
<td>36.2</td>
</tr>
<tr>
<td>Ganderbal</td>
<td>PAGD</td>
<td>11</td>
<td>32.4</td>
</tr>
<tr>
<td>Jammu</td>
<td>BJP</td>
<td>11</td>
<td>45.8</td>
</tr>
<tr>
<td>Kathua</td>
<td>BJP</td>
<td>13</td>
<td>44.3</td>
</tr>
<tr>
<td>Kishtwar</td>
<td>PAGD</td>
<td>6</td>
<td>33.3</td>
</tr>
<tr>
<td>Kulgam</td>
<td>PAGD</td>
<td>12</td>
<td>56</td>
</tr>
<tr>
<td>Kupwara</td>
<td>PAGD</td>
<td>9</td>
<td>31.3</td>
</tr>
<tr>
<td>Poonch</td>
<td>Independents</td>
<td>8</td>
<td>43.2</td>
</tr>
<tr>
<td>Pulwama</td>
<td>PAGD</td>
<td>9</td>
<td>39.2</td>
</tr>
</tbody>
</table>

Source: TNN(2020)
## DDC Election Results

<table>
<thead>
<tr>
<th>Party</th>
<th>Strike rate or contested vote-share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BJP</td>
<td>32.6</td>
</tr>
<tr>
<td>NC</td>
<td>40.9</td>
</tr>
<tr>
<td>PDP</td>
<td>39.7</td>
</tr>
<tr>
<td>Congress</td>
<td>16.3</td>
</tr>
<tr>
<td>JKAP</td>
<td>7</td>
</tr>
<tr>
<td>CPM</td>
<td>71.4</td>
</tr>
<tr>
<td>JKPC</td>
<td>80</td>
</tr>
<tr>
<td>JKPM</td>
<td>27.3</td>
</tr>
<tr>
<td>PAGD (Overall)</td>
<td>47.6</td>
</tr>
</tbody>
</table>

*Source: TNN(2020)*

The DDC election results convey the following messages:

- BJP has emerged as the single largest party in terms of seat-share, while the Gupkar Alliance, as a whole, has won the most number of seats.

- In terms of contested vote-share, Gupkar Alliance did better than BJP. Performance of both NC and PDP was decent. However, it was the smaller parties within the alliance – particularly Communists and Sajjad Lone’s JKPC that had the best contested vote share performance.

- In terms of region, while BJP swept Jammu, PAGD swept Kashmir. But BJP’s performance was good mainly in
core Hindu majority southern Jammu, while Independents and PAGD performed better in northern Jammu, which has Muslim-dominated seats like Rajauri, Poonch etc. **BJP got seats everywhere in Jammu, except for Poonch where it drew a blank.** Therefore, regional religious polarization was visible in both Jammu and Kashmir.

<table>
<thead>
<tr>
<th>Table: Approximate Seat share (%) according to religion:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Party</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>BJP</td>
</tr>
<tr>
<td>PAGD</td>
</tr>
<tr>
<td>Congress</td>
</tr>
<tr>
<td>Others</td>
</tr>
</tbody>
</table>

- Congress performance: Congress’s overall performance was weak, as were its overall and contested vote-shares. Its regional performance was also weak everywhere, although in northern Jammu it managed to get 17 seats. Even NC’s performance was better than the Congress in Jammu. In Hindu majority southern Jammu, where it used to compete with BJP, Congress got zero seats. The party is unpopular among both Hindus and Muslims.

- Turnout of voters: In Jammu, the voter turnout ranged between 64.21% to 72.71% during different phases. In Kashmir, the turnout ranged between 29.91% to 40.65% in different phases. The four south Kashmir districts of Pulwama, Shopian, Kulgam and Anantnag, which have been severely impacted by separatism and terrorism, had the lowest turnout, ranging between 7.65% (Pulwama) to around 25% (Anantnag and Kulgam) (Chowdhary, 2020). North Kashmir had the highest turnout in Kashmir region at 45%.

Turnout in Kashmir has vastly improved over the previous – Parliamentary and Panchayat – elections, thereby vindicating
India’s new changes and position in Kashmir in the wake of Article 370 revocation.

**Greater Hyderabad Municipal Corporation (GHMC) Election Results:**

GHMC elections to 150 wards were held in November. They were particularly significant for BJP, as through these elections, BJP had sought to strengthen its inroads in Telangana. National level leaders of BJP campaigned alongside state level leaders and the ruling Telangana Rashtra Samiti (TRS) was shaken.

Results have seen BJP vastly improving its past performance, firmly making inroads in the state and now standing in direct opposition to the TRS.

TRS emerged as the single largest party with 56 wards, BJP came second with 48 wards, while AIMIM came third with 44 wards. Despite being the single largest party, TRS could not get the requisite majority of 65 wards to fill up the mayoral post. Congress secured just 2 wards, leading its state President to tender resignation.

In 2016 elections of GHMC, TRS had secured 99 wards and has now been reduced to 56. BJP, on the other hand, drastically improved its performance from 4 wards in 2016 to 48 wards in 2020. AIMIM had secured 44 wards in both 2016 and 2020, thereby maintaining its performance among its core Muslim base.

This time, majority of the gains for the BJP came from Secunderabad (10 wards) and LB Nagar (16 wards). **BJP’s overall vote share was 35.56%**, while that of TRS was 35.81%. BJP increased its vote share from 10.34% in 2016, while TRS lost 8.95% vote share from 2016. **TDP got zero seats. Its vote share also plunged from 13.11% to 1.61%**, compared to 2016. Congress got a vote share of 6.5%, while **AIMIM increased its vote share from 15.85% to 18.28%** (Nanisetti, 2020).
Hyderabad has a 43% Muslim population, thereby making BJP’s performance all the more significant. The new political equations heralding a bipolar contest between BJP and TRS

Source: Vernier, Gowd, & Sangem (2020)
in state politics – with AIMIM already a strong player among Muslims – will likely lead to sharpening of religious fault-lines. RSS has also become stronger in the state, with as many as 1600 shakhas.

Intermediary Castes play a crucial role in Telangana politics. BJP did intricate caste-based social engineering, besides religious revivalism, in order to make an impact.

The party sought to mobilize non-dominant backward classes – such as Intermediary Classes like the Reddys. It also gave great importance to the Most Backward Classes (MBCs), who are underrepresented in Telangana politics. BJP mobilized those smaller backward classes, all over the city, which have largely been ignored by all other political parties. BJP and RSS worked hard to consolidate small MBC castes such as Kurumas, Kummaris, Vadderas, Viswakarma and Chaattada Srivaishnava, and also larger OBC groups such as Gouds, Mudirajs, Yadavs, and Padmasalis (Vernier, Gowd, & Sangem, 2020).

BJP’s President and the State Organising Secretary also belonged to MBC category. It was also fairly successful in consolidating upper and intermediary castes.

Finally, the party combined all these split and sharp identities within a larger Hindutva mould. Thus, it may have approached them through the caste angle initially, but the larger strategy is based on Hindutva.

Local Elections in Kerala:

Yet another set of significant elections were held in Kerala in December. Elections were held to 15,962 gram Panchayat seats, 2080 block Panchayat seats, 331 district Panchayat seats, 3078 Municipality seats and 414 Corporations. Kerala has 941 gram panchayats, 14 district panchayats, 152 block panchayats, 87 municipalities and 6 corporations.
The ruling Communist Left Democratic Front (LDF) easily had the best performance, while Congress-led United Democratic Front (UDF) saw a decline. BJP saw largely a mixed performance.

<table>
<thead>
<tr>
<th></th>
<th>LDF (40.2% vote share)</th>
<th>UDF (37.9% vote share)</th>
<th>NDA (15% vote share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gram Panchayats won</td>
<td>514</td>
<td>321</td>
<td>19</td>
</tr>
<tr>
<td>Block Panchayats won</td>
<td>108</td>
<td>38</td>
<td>0</td>
</tr>
<tr>
<td>District Panchayats won</td>
<td>11</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Municipalities won</td>
<td>43</td>
<td>41</td>
<td>2</td>
</tr>
<tr>
<td>Corporations won</td>
<td>5</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

BJP had won 1,236 seats in the last local body elections, with 14% vote share. This time, it won 1800 wards, but lost at least 600 sitting seats. However, it also made inroads into seats never held by it before. It finished second in almost 600 wards.

BJP, to an extent, won the confidence of Ezhava and Nair communities in central Travancore and southern areas. It also won the seat where Sabrimala agitation took place (Anilkumar, 2020). Thus, while BJP made new inroads, it also found it difficult to hold onto its existing positions. Situation in Kerala is still tough for BJP.

**Other Elections:**

Local elections were also held in Bodoland Territorial Council (BTC) in Assam; Zilla Panchayat elections in Goa;

**BTC elections (total no. of seats: 40):**

No. of seats won

<table>
<thead>
<tr>
<th>Bodoland People’s Front (BPF)</th>
<th>United People’s Party Liberal (UPPL)</th>
<th>BJP</th>
<th>Congress</th>
<th>Asom Gana Parishad (AGP)</th>
</tr>
</thead>
</table>
Goa Zilla Panchayat Elections:


<table>
<thead>
<tr>
<th>Party</th>
<th>Seats</th>
<th>Vote share (contested %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BJP</td>
<td>33</td>
<td>78.6</td>
</tr>
<tr>
<td>Congress</td>
<td>4</td>
<td>10.8</td>
</tr>
<tr>
<td>MGP</td>
<td>3</td>
<td>17.6</td>
</tr>
<tr>
<td>AAP</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>NCP</td>
<td>1</td>
<td>16.7</td>
</tr>
</tbody>
</table>

Rajasthan Local Body Elections:

Elections were held to 4371 seats in 222 panchayat samitis and 636 seats in 21 zilla parishads. BJP trumped the Congress in Rajasthan rural local body elections to panchayat samitis and zilla parishads.

<table>
<thead>
<tr>
<th>Party</th>
<th>No. of seats won in panchayat samiti</th>
</tr>
</thead>
<tbody>
<tr>
<td>BJP</td>
<td>1989</td>
</tr>
<tr>
<td>Congress</td>
<td>1852</td>
</tr>
<tr>
<td>Independents</td>
<td>439</td>
</tr>
<tr>
<td>RLP</td>
<td>60</td>
</tr>
<tr>
<td>CPM</td>
<td>26</td>
</tr>
<tr>
<td>BSP</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: TNN (2020)
The new strain of coronavirus COVID19:

Much debate has been raging about the newly detected strain of COVID19. The new strain has been caused by mutations of the virus and is known to be a super-spreader – nearly 70% more transmissible. While the new strain has been detected from several countries – Denmark, England, Australia and South Africa, its impact has been particularly felt in south and east of England.

Unnecessary panic has been created over the new strain, as many thousands of mutations have already occurred in this virus since 2019. WHO has said that the virus causes multiple mutations and this is one of them, and that there is no evidence...
whatsoever that this super-spreader is more severe or leads to worsening of the disease. WHO has cautioned against the kind of ill-informed panic being currently spread (Kannan, 2020).

Covid-10 Genomics UK (COG-UK) has affirmed the same view, explaining that majority of mutations taking place have no effect on the virus and its potency/severity (Kannan, 2020). Indeed, the current mutation, by bringing about genetic changes, has increased the binding affinity (to the humans) of the COVID19, since the mutation has occurred in the virus’s receptor binding domain (Sheriff, 2020). This has not, however, affected the level of severity of the virus.

UK has, since the last 2 months, imposed restrictions and lockdowns in various parts of England, even before the new strain was detected. Yet, Public Health England (PHE) determined, in its observations, that infection rates in Kent were not falling despite the restrictions imposed. The reason was linked to super-spreading properties of the new strain.

The current point of debate is whether the vaccines developed and being developed will fail to affect the new strain. This is still unknown. While some scientists have a divided opinion, others expect that vaccines may be capable of offering protection against a mutant virus by generating a variety of antibodies and memory cells that will help fight the infection (Kannan, 2020). India has approved the use of Covaxin and Covishield in two dosages – indigenous vaccines of Serum Institute of India and Bharat Biotech. However, efficacy of vaccines are questionable. Around the world and in India, many who participated in vaccine trials got COVID-19 in spite of being vaccinated.

The uncertainty around the new strain has led to much panic, with European countries imposing restrictions of varying levels of severity. In Germany, there were renewed protests
against restrictions. After much public pressure and reluctance, India’s response has, so far, been to temporarily suspend flights from UK, as various other countries have done.

However, US states – like California – are witnessing some of the harshest lockdowns since Spring, due to the just past holiday season, as states are trying to contain cases by imposing restrictions but without completely shutting down the economy (Barrett & Kesling, 2020).

In our past issues, we have highlighted how the public reaction to the virus – compounded by media hype – has been to create unmitigated fear among the people. Governments have responded to this hype and sought to impose lockdowns in the quest to listen to scientists and experts and so as to appear to be taking some politically uncontroversial actions. This has come at the cost of debilitating the collective psychology.

India has been through this phase in the worst possible way and seems to be shunning that path altogether now. Other countries have, however, witnessed increased paranoia.

It is important to realize, in the present context, that the future will witness – thanks to our deteriorating lifestyles, environmental changes, psychology, consciousness and health habits – worse and worse kind of viruses. Under such circumstances, practically speaking, only boosting immunity and overall mindset through conscious and determined efforts can help. As the body develops resistance to antibiotics and with vaccines difficult to develop against rapidly mutating viruses, there is little scope for continuing business-as-usual.

**DIPLOMATIC TALKS HELD AND PROSPECTIVE CHINA-INDIA BORDER TALKS:**

Communication between Chinese and Indian sides is going on, to determine when to hold the 9th round of Corps
Commander-level border-level talks. On the ground, the Chinese said, the situation is stable and continuous mutual consultations and troop management are going on.

The last foreign ministry-level talks were held between the two sides on December 18th – where the two sides decided to continue to ensure disengagement along all friction points along LAC.

On December 19th, Chinese President, Xi Jingping, also appointed a new General as the Commander of the People’s Liberation Army’s Western Theatre Command which oversees the China-India border. This was significant, as the previous General, Zhao Zongqi, had been known to have intentions of provoking India in petty fights so as to secure his domestic political ambitions. He had overseen the Doklam standoff of 2017 as well as the recent tensions in Ladakh.

It is also significant to note that the year-end review of satellite positions affirms India’s strong position along the border friction points in Ladakh, along Pangong Tso, Rechin La
and Rezang La mountain passes (Sharma, 2021)

**Modi’s Soaring Popularity Ratings**

At the end of 2020 – year marked by unpopularity of governments around the world due to COVID19 situation – a survey done by a US-based organization, compared popularity ratings of different Heads of State around the world.

PM Modi has the highest approval ratings. Not only that, but his ratings were higher even than the highest approval ratings of any other democratic Head of State.

![NET APPROVAL FOR ALL LEADERS](image)

*Source: Morning Consult Political Intelligence (2020)*

This is significant, as the year 2020 has been marked by several leaders losing their popularity. President Trump lost the US election, UK’s Boris Johnson and Russia’s Putin are on a wane. But, as even series of domestic elections in India have confirmed, Modi remains popular among people.

**Bibliography**


“The future of the earth depends on a change of consciousness.

The only hope for the future is in a change of man’s consciousness and the change is bound to come.

But it is left to men to decide if they will collaborate for this change or if it will have to be enforced upon them by the power of crashing circumstances.

So, wake up and collaborate!

Blessings.”

- The Mother

(CWM 15:66)