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Minimum Support Price Conundrum and Sustainable Farming: A Study of the Impact of the Socio-Economic Factors on Sustainable Agriculture

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ABSTRACT

The underlying objective for the discussions highlighted in the paper is to establish an interrelation between Agricultural Produce Market Committee (APMC), Minimum Support Price (MSP) and the socio-economic factors of the farmers as well as to highlight how removing the financial safety net of the farmers would negatively impact their motivations, further dwindling their usage of sustainable means of agriculture. This paper begins by tracing the historical development of farmers in the colonial and post-colonial periods. It moves on to focusing on how the Agriculture Produce Market Committee (APMC) was formed in India, why there was a need to introduce Minimum Support Price (MSP) and how the both of them are connected to farmers. It further discusses the lesser-known socio-economic factors like caste, class, gender, economic affairs that have implications on sustainable agricultural practices and the social relationships among farmers. It also talks about how the government made multiple attempts to improve farmers' conditions; like introducing contract farming which was tried, tested and failed in many states. Furthermore, the paper attempts to find out the comparative analysis between the farmers and the government perceptions on the new Farm Bills, 2020.

Keywords Agriculture, APMC, MSP, contract farming, socio-economic factors

1. INTRODUCTION

"*Agriculture is the most healthful, most useful, and most noble employment of man*"

--George Washington[1]

The efficient production of safe, high-quality agricultural products, in a way that protects and improves the natural environment, the socio-economic conditions of the farmers, their employees, and local communities, and safeguards the health and welfare of all farmed species; essentially comprises sustainable agriculture (Betts, 2015).

While agricultural sustainability is largely seen as a consequence of practices like organic farming, crop rotation, agroforestry, and other permaculture-centric approaches, certain socio-economic factors are often given less importance. This research attempts to understand the implication of these factors for sustainable agriculture in India through a study of the Farmers' Bills 2020 and the APMC Act.

On 27th September 2020, AMPC act was replaced and MSP was not mentioned by the government leading to the Indian farmers' protest which is still ongoing. For the farmers, this meant the quashing of economic assurance and their sense of security by the government, which was very demotivating. Although MSP is still significant, it is not the only go-to solution for tackling all the farmers' woes (IIFL, 2018). Since agricultural practices are multidimensional and interact with various factors on different levels, the expected outcomes of the APMC and MSP Acts are linked to the other socio-economic factors. The removal of MSP will expose some farmers to contractual agreements, limiting mobility and freedom to produce the crops based on one's will, and for some, it will lead to insufficiency of funds and assured income would drastically deteriorate their agricultural practices, making it unsustainable.

2. METHODOLOGY

In this paper, the research explores a hypothetical question: "What will happen if MSP is removed?" through a thorough examination of the Indian farmers' backstory, the relevant acts and other factors that influence the practice. A detailed analysis of the

[1] GoogleImageResultforhttps://www.nrcs.usda.gov/Internet/FSE_MEDIA/nrcseprd1316217.jpg

aforementioned elements has been made to determine the threat removal of MSP poses on the farmers, their motivation and the consequent negative influence on agricultural sustainability.

While this paper heavily relies on secondary data due to the impossibility of conducting primary research owing to the ongoing pandemic, the information has been collected from various sources and is factually correct. In this paper, material from various academic journals, articles and newspapers have been woven together to form a coherent argument which is then viewed through a sociological lens. It analyses the plight of farmers on both social and economic levels as well as their intersection.

3. DISCUSSION

3.1. Farmers in Colonial India

The Indian subcontinent was dominated by subsistence farming in the pre-colonial era. However, the Britishers' rule dominated a shift to commercial farming. The development of railways and road networks had a two-way effect: it led to the expansion of cash cropping by increasing the market reachability and expanded the means of pressurisation on the farmers for transition to commercial farming. This opened ways for farmer oppression (Washbrook, 1994). This oppression was validated under the name of the zamindari system. In 1793, Lord Cornwallis introduced the Zamindari system which delegated the responsibility of land ownership and tax collection by the landlords/zamindars (Ibid).

The majority of the Indian territory was covered by the zamindari system, which extracted unreasonable sums of money from the land tillers by the exploitative landlords and agents. This eventually went to the pockets of the colonisers and Zamindars as land revenue. In most places, this system fell under what came to be known as a permanent settlement. Apart from giving more power to the zamindars, it fixed the land revenues at a permanent hefty number. This led to active oppression of the farmers along with depriving them of their rightful income, reducing them and those who depended on them to the state of extreme poverty. This continued pressure on the landless labourers led to the depletion of job satisfaction, profit scales and output.

By and large, the land tenure policies, also known as the Zamindari system, under British rule favoured the large landlords instead of the farmers and hindered their economic as well as social development. Moreover, places that came under this system highlighted relatively higher rates of class conflict (Lee, 2019). Nonetheless, this system was of utmost importance to the British administration and economic interests. These land revenues made up for 50% of the government's revenues in the year 1858. This benefit was the reason owing to which the British government pursued the implementation of the system regardless of the poor economic and social conditions of the farmers.

However, with humanitarian practices and respecting human rights becoming hot button issues, colonial rule was forced to dial down to a relatively reasonable and humane approach. In the pre-colonial period, a few rulers had collected land taxes from cultivators individually as ryots. Initially, this model was completely rejected owing to the need for extensive record-keeping and footwork, and it was outsourced to the zamindars. However, to reduce the intermediary costs as well as calculate fair tax liability individually, this system was adopted under the name of the Ryotwari system in which zamindars were deprived of the outsourced duties and compensated with small pensions followed by an individualistic collection of land taxes from the farmers by the British assigned agents (Ibid).

On the other hand, some places which did not witness the zamindari system and functioned with a limited outsider command had a higher capacity of generating profit (ibid). This was because, under the zamindari system, any income from produce was ultimately routed through the landlords or zamindars to the British government as land revenue. Such a drain of wealth did not take place in the relatively independent agrarian areas nor were they forced into producing land deteriorating yet important-to-Britain crop- Indigo. The agrarian economy was exploited, class conflict-ridden and uneven in colonial India. The zamindari system was, thus, removed immediately after gaining independence and was replaced by a nationally uniform system of regulation.

3.2. Post-Independence Period

India has always been an agrarian economy and ever since it gained Independence in 1947, consumers bought the products from the farmers directly. However, for farmers to buy seeds and fertilizers for their crops, they needed money and here, the zamindars and money-lenders played a crucial role by giving loans to the farmers but at a very high-interest rate on the principal amount. The high interest rate made it impossible for the farmers to repay the loans and in return enabled the zamindars or money lenders to buy the entire farm produce from the farmers at very low amounts or sometimes even for free. Farmers couldn't revolt due to less power and resources. This ruthless cycle continued every season. This system of Zamindars or money lenders trapped farmers in this never-ending debt (Dantwala, 2006).

3.2.1. Land Reforms: Post-independence

The statutory regulation of land distribution from landowners to landless (tenants) is called Land Reforms. This pertains to an agrarian economy like that of India's, where land was unequally distributed, the rural population was below the poverty line and the majority of the farmers were working as farm labourers or tenets. There are several political and economic arguments about the aforementioned land reforms. These arguments were the primary concern following independence. The major objectives of post-independent India were the land ceiling, tenancy regulations, intermediaries abolition and consolidation of fragmented land blocks.

- **Zamindari Abolition Acts** were passed in many states by 1956. This resulted in giving ownership rights to about 30 lakh tenants and share-croppers spread over 62 lakh acres of land in all parts of the country. While these acts were initially passed in various states, they were soon challenged as they were seen to be against the right to property, as it was Part 3 (Fundamental Right) of the Constitution.
- **Tenancy Reforms** mainly focused on three areas and that is, rent regulation, tenure security, conferring ownership to tenants (Chattopadhyay, 1973).
- **Land Ceiling Reforms** were constantly in the public eye since independence. The INC Nagpur Resolution which was made in January 195, stated that ceilings should be fixed and associated legislation passed by end of 1959 and these contributed to the consolidation of right-wing forces ("BLOG - POST INDEPENDENCE LAND REFORMS IN INDIA", 2021).

Though post-independence land reforms ended middlemen like landlords, land ceiling, and possession system and increased productivity, it still had some drawbacks: the rural population was still below the poverty line, many marginal farmers were still trapped in the vicious cycle of debt and the land ceiling system differed in every state (Chattopadhyay, 1973).

3.3. Agriculture Produce Market Committee (APMC)

However, after independence, there came a need to protect the interests of farmers and to provide them incentive prices to augment the production of agricultural commodities. Farmers were badly exploited by local money lenders extorting high amounts of foodgrains from them, at throwaway prices to fulfil their interests. Recognizing the problems faced by farmers of the country such as losses in terms of undue prices, high marketing costs, and visible physical losses of produce, the Indian Government decided to introduce several binding regulations aiming to monitor market conduct.

This process itself became very exploitative and so to help farmers and end this system, the Development Minister in the provincial government of his Unionist Party and a legendary farmer leader, Sir Chhotu Ram got the Punjab Agriculture Produce Market Act passed in 1939. Thus, “mandis” became “APMC mandis”. Eventually, almost all states passed their APMC acts to regulate mandis. It’s introduction coincided with the Green Revolution (around 1960s) of India (Damodaran, 2020). So, APMCs set up Mandis and Markets across India where farmers could sell their produce. There are around 7000 APMC and is at present in India (Mitra, 2020). Now the question arises how do these APMC mandis or markets work? After harvesting, the crops are brought to the mandis or markets where the product is sold through auction. The product is not sold to the government but to the Middlemen or Arhatiyas. The arhatiyas are the ones who finance the farmers and facilitate the transaction between farmers and actual buyers, which may be a private trader or exporter or even the Food Corporation of India (FCI). These middle-men are also known as Becholiyas (Chaba & Damodaran, 2020).

For example, farmers sell their produce to the middlemen and the middlemen then sell it to the vegetable vendors. The government gives licenses to the middlemen to buy and sell the farmers’ produce. The state governments regulate the APMC markets and every transaction is charged in the form of a tax. In this way, the government is always kept in loop (Damodaran, 2020). The government of India designed a model APMC Act in 2003 as the first attempt to bring reforms in the agricultural market. Provisions like a private wholesale market, direct purchase, new market channels other than APMC, and a contract between farmers and buyers were created under this act. The bidding system to determine the price of agricultural products sometimes may result in the loss of the farmer because of high uncertainty in the market. The solution to this problem was seen in the Minimum support price.

3.4. Minimum Support Price (MSP)

The origin of MSP is even contemporary. Its originator was an American, Dr Frank W Parker, who was the chief agriculturalist of a USAID (US Agency for International Development) mission to India and adviser to the Ministry of Food and Agriculture. In a letter dated February 1959, to the then minister Ajit Prasad Jain, Parker pointed out the problem of low crop prices faced by farmers during harvest time and recommended Minimum Support Price to be given to farmers on all major crops. In 1964, the Food and Agricultural Minister, C. Subramaniam, who was clear on declaring MSPs in advance, implemented the idea of Parker. Later, heated debates unfolded in the cabinet on the issue of seeking approval for the policy of an incentive price for farmers. Inspite of opposition, Subramaniam’s view got support from the then Prime Minister Lal Bahadur Shastri.

Subramaniam also gained support in founding two major institutions in 1965 that played a key role in farmers and their relationship with APMC and MSPs.

- Agricultural Prices Commission was an institution that was responsible for the determination of MSPs based on the study of cultivation costs of farmers. This system, of APC, was later 1985 renamed as Commission for Agriculture Costs and Prices or CACP. On the recommendation of the Commission for Agricultural Costs and Prices (CACP), MSP is fixed for agricultural products. It is a statutory body that submits separate reports recommending prices for Kharif and Rabi seasons. The Central Government after considering the report and views of the State Governments and also keeping in view the overall demand and supply situation in the country takes the final decision (Niti Aayog, 2016)

- Food Corporation of India (FCI) procures food grains to ensure that effective market intervention is in place. Its main function was its involvement in the procurement of food. FCI organized MSP- procurement operations in all states (Kancharla, 2020). Even after so many measures were taken; middlemen have found their way to continue to keep farmers in a submissive position.

3.5. How is AMPC Linked with MSP?

APMC is linked with MSP in a way that APMC regulates the mandi where farmers bring their produce, and therefore, guarantees to receive the promised minimum support price for their produce (Iyer, 2020). The produce that is not bought by the arthiyas is later bought by the government at MSP. Though APMC and MSP proved to benefit in some way, these institutions still had their drawbacks and so the government of India introduced the three Farm Bills in 2020 to benefit the farmers.

3.6. Nature of Bills

In September 2020, Parliament enacted three laws. These bills were passed by the House and received the President's assent, turning them into laws. Agriculture Minister Narendra Singh Tomar has assured that the Minimum Support Price mechanism will stay, and adequate protection of land ownership was in place to protect farmer interests ("Ministry of Electronics and Information Technology, Government of India | Home Page", 2021).

3.6.1. Farmers produce Trade and Commerce (Promotion and Facilitation) Act, 2020

The act came into effect on 05th June 2020. It primarily aimed at giving freedom to the farmers to sell their product outside the present Mandis as established under the respective States APMC. The primary aim was to liberalize and expand the farmers' capacities and is intended to provide the benefits of free trade.

3.6.2. The Farmers Agreement (Empowerment and Protection) on Price Assurance and Farm Services Act, 2020

The act aimed at giving legitimate status to a farm contract to be entered between the farmers and sponsors/middlemen. The purpose of the act is to make farming an assured profit-making occupation, and that the middlemen shall contract with the farmers in advance for producing crops and the price shall be discussed before the cropping process. This way the farmers shall be able to have assured income.

3.6.3. The Essential Commodities (Amendment) Act, 2020

This piece of legislation was enacted to amend the original Essential Commodities Act 1955 and came into force from 05th June 2020 (Tomer & Jayara, 2021).

Even though these bills had been repealed in December 2021, the very rolling out of these bills and their sticking around for a considerable amount of time were instrumental in making this discussion pertinent.

3.7. Contract Farming in India

Contract Farming is an agreement between farmers and processing or marketing firms for the production and supply of agricultural products. Under this system, the farmer provides agreed quantities of a specific agricultural product. The products should meet the quality standards of the purchaser and should be supplied at the time determined by the purchaser. In exchange, the buyer commits to purchase the product and, in some cases, to support production through, for example, the supply of farm inputs, land preparation and the provision of technical advice (Eaton & Shepherd, 2001). An effective and organized contract farming contributes to the coordination and promotion of production and marketing in agriculture. Moreover, it also reduces the uncertainty of both parties. Contract farming is essentially an agreement between farmers and government bodies or individuals. It contributes to an approach to increase incomes and profits for the farmers and sponsors respectively.

The stronger position of sponsors and inequality of relationship between the farmers and sponsors are the main concerns of critics. Nevertheless, the increasing attention of this system in other countries contrasts its view of essentially benefiting sponsors. Furthermore, it will be inexorable to maintain a relationship where benefits are unfairly distributed. Contract farming has its advantages and disadvantages but it varies according to the social, physical and market environments (Ibid).

3.7.1. Tested and Failed: Why Indian Farmers are against Contractual Farming?

The aim of the Indian government to promote contract farming by introducing the three controversial laws somewhat triggered the farmers. The farmers put forth their view that the law will engage them with big traders and agribusiness on an unequal playing field.

Sajjan Singh, a farmer aged 68, said in an interview, “direct contracts with corporations will not work for small farmers like me.”

Original resident of Tarn Taran district of Punjab (430 kilometers from Delhi), Singh traveled to Delhi for the protests. He was accompanied by thousands of experienced peasants and farmers whose demand was to repeal the three laws. They are not new to the tempting concepts of contract farming and/or working for the agribusiness firms. As stated in the beginning of this section, contract farming is a “tried, tested and failed experiment” for them. This is because Punjab was the first Indian state to execute a contract farming scheme in 2002. This was, shockingly, repealed just after a decade.

The primary reason for scrapping Punjab’s contract farming scheme was a lack of interest from the newly formed government as well as the center. Commenting on this scrapping incident, farmer leaders said, “when the government, which works on no profit, no loss formula, could not continue it successfully even for a decade than how can they (farmers) trust the private players whose main motive is only earning profit at the cost of farmers” (Chaba, 2020).

It was revealed in various studies, conducted in Punjab and Haryana, that the farmers engaging in contract farming had to face a considerable number of problems: unprecedented bad quality enforced delay in factory deliveries, late payments, hike in cost of production due to natural causes, etc. It was highlighted in a study that the farming contracts protect the interests of the company involved while the farmers face the brunt of financial ups and downs. Thus, it is the farmers that are affected by occurrences of crop failure, natural calamities, drop in market prices and so on.

Another state that offers contract farming lessons to farmers who are interested in the same is Andhra Pradesh. Small and marginal farmers often face discrimination as compared to wealthier farmers when it comes to corporations’ high investments in contractual farming. In other words, it was seen that farmers with sizable landholdings and better irrigation facilities were chosen by firms (Swain, 2011).

3.8. Comparative Analysis between the Government and the Farmers' Perception of the New Farm Bills

3.8.1. Emptiness in The Farm Bill 2020: Voice of farmers

Farm bills came with lots of emptiness and gaps between the views and wants of farmers and the government. Farm bills promote contract farming which farmers are not in favor of because they believe that it will not benefit the small and marginal farmers and will even create a gap between upper and lower class farmers. According to the APMC Act, the state governments impose tax on trade between the farmers and traders but the abolition of market fees on trade outside mandis can result in the failure and consequent shutdown of mandis. We all know that justice delayed is justice denied and the dispute redressal system is not practical. The biggest concern for farmers is MSP. Our government offers to buy 22+1 products from farmers. However, in the existing conditions, the government buys only wheat and rice. While mandis allow for law payments to be made on the same day, the act allows three credit days to traders and this provision is misused by the traders. All these factors lead to a situation that makes farmers believe that these laws won't help them in any way, it will rather make them underpaid and exploited (Garg, 2020).

However, the government's stand on the bills is contrary to what has been feared by the farmers. Ministers have seldom released assuring statements like "APMC and MSP will continue" and "These will never be removed at any cost" (Iyer, 2020). Nonetheless, the lack of mention of MSP continues to wreak havoc in the beliefs of the financially helpless farmers.

3.8.2. The Government's Rationale

When India got independence in 1947, the world was witnessing the Cold War, not only between the USA and USSR but also two ideologies: socialism and capitalism. With the collapse of the USSR in 1991, capitalism, as an economic system with support of the United Nations and its agencies like World Bank and IMF, started dominating the world economic order. While its concept and its conceptions presented itself in various forms, the basics of it were the administrative position of the government and the free economic forces driven by the national and international markets. Naturally, to bring about this sense of freedom and importance to the Indian markets alongside curbing the fiscal crises, the renowned international organization: International Monetary Funds (IMF), asked for implementing liberalization, privatization and globalisation in exchange for loans.

Liberalization, essentially, means "elimination of state control over economic activities". It came with the expectation that the demand and supply forces would increase the efficiency of the economy (Wahab, 2019). On the other hand, the main motive of privatization was to increase the inflow of Foreign Direct Investment (FDI) (ibid). It did so by transferring the control of ownership from public to private entities, allowing for businesses to flourish in the limitless capitalist world. Lastly, globalization facilitated the integration of the Indian market with the rest of the world's markets (ibid).

Even though this discourse was followed and taken through its ups and downs, what the government came to function as became a neoliberal department. That is, the Indian government functions as a welfare state as well as an administrative body that allows the economic forces to work without altercation. Along these lines, the government's laws are justified as they, in their own way, ensure farmers' welfare by providing competitive prices, contracts and other features as well as integrate the farming activities with the larger economic picture.

4. SOCIO-ECONOMIC FACTORS

While it might seem like the policies and financial standing are the only key factors influencing agrarian practices, such is not the case. This sector is constantly interacting with other features of overindebtedness like Indian society. Broadly, the Indian agrarian sector has two dimensions: commercial agriculture and subsistence agriculture. Most of the farmers who practice subsistence agriculture remain unaffected by political and administrative factors. Meanwhile, employing more than 58% of the Indian workforce, commercial agriculture plays an important role in the Indian economy and bears the direct impact of policy changes. Moreover, with the increasing income of Indian households, the demand for agrarian produce is increasing and its causal effects are the increase in production and investment in farming supplements like processed seeds and fertilizers (IBEF, 2021). However, the data comprises averages and fails to capture the plight of landless and small-land holding farmers. In reality, the agrarian economy is not uniform, the aforementioned facts might altogether apply to large-landholding farmers but the less privileged tillers are far from its advantages.

One access to resources and market is dictated by their class, caste and gender:

4.1. Class

Initially, the class determination was done using the 'acreage criterion', which essentially meant the amount of land owned by the farmers. Larger the land they owned, the higher their class. However, due to the diverse climatic and technical conditions, the acreage criterion could not do justice to the uneven conditions. As a result, the labour-exploitation criterion came to be a more accurate indicator. Since only the landless and small landowners were subject to exploitation owing to their helplessness, the index was reflexive of class: the value indicated the number of underprivileged farmers (Patnaik, 1976). In the contemporary scenario, the Agricultural census takes into account the operational holdings and classifies the farmers into subsequent classes.

Class	**Landholding**
Marginal	<1.00 Hectare
Small	1.00-2.00 Hectare
Semi-medium	2.00-4.00 Hectare
Medium	4.00-10.00 Hectare
Large	>=10.00 Hectare

Source: http://agcensus.nic.in

According to the 2015-16 Agriculture Census, small and marginal farmers account for 86.2% of the total farmer population but own just 47.3% of the crop area. Moreover, semi-medium and medium farmers hold the tally of 13.2% and own 43.6% of the crop area (Agriculture Census 2015-16, 2019). This instantiates the likelihood of almost

91% of the farmers being substantially affected by policy changes due to a lack of surplus resources. Consequently, this lack of resources can not only hamper farmers' motivation but also result in their inability to afford the inputs required for practicing sustainable agriculture.

4.2. Caste

Caste plays an important role in determining the flux of resources and information to farmers. Marginalised caste groups like Scheduled Castes, Scheduled Tribes, OSMC Muslims and OSMC Non-Muslims have a lower degree of access to extension networks and quality information as compared to non-marginalised castes, owing to their "inferior resource-endowment status" (Krishna et al., 2019). In modern rural India, class is, infrequently, indirectly dependent on caste. Especially in cases of marginalised groups, caste inherently marks the purview of reachability and status flux. Hence, if a farmer's caste restricts him from accessing adequate resources and subsequently enabling an increase in income, he is inevitably trapped in his class. Moreover, if he somehow connects with extension agencies, caste-related prejudices might intervene with the processing of his requests. Therefore, the interconnections and interplay of class and caste have a huge impact on the degree of farmers' access to resources and reliable information. Following this relation, this interplay can affect the farmers' reach and ability to procure inputs for sustainable agriculture.

4.3. Gender

Even though a considerable amount of women have entered into the agrarian economy, the rise does not equate to equal employment opportunities or equal earnings. The agrarian activities men and women engage in are different. Women are involved in transplanting, intercultural operations, harvesting and post-harvesting activities whereas men work on land preparation, plant protection and irrigation related activities.

In India, 72% of women workers are involved in agricultural work as cultivators and labourers in contrast with the global rate of 42%. Nonetheless, their work has not been sufficiently recognised. Lack of a women-friendly environment and technology along with trouble balancing their productive and reproductive life are the major hurdles that lead to undermining of their contribution. There is evidence that proves if women are given equal resources as men, the yield would increase by 20-30%- raising agricultural output in developing countries by 2.5-4% (Dash et al., 2013). It is, thus, evident that gender plays an important role in determining one's position in agriculture as well as their access to and knowledge of agricultural technology and methods.

4.4. Economic Factors

Since small operational farmlands are not sufficiently profitable; marginal, small and medium farmers are forced to come into vicious tenancy agreements or work under landlords. The landlords, even after several government interventions, do not adequately remunerate the farmers. Moreover, for those who attempt to make the best out of whichever size of land they own, the increasing cost of necessary and supplementary inputs and declining earnings put these farmers in a fix. The interactions of dwindling finances and increasing demand for agricultural produce tempts these farmers to borrow, with hopes of making their business more profitable.

The aggregate of these instances justifies why the largest number of farmers found in debt traps are the majority holding semi-medium and medium farmers (Sajjad & Chauhan, 2012).

The agricultural practices are, thus, affected by a variety of socio-economic factors like class-caste structures, landlordism, size of land holdings, income and other liquid assets, access to resources and information, policies, and demand of produce. The effects of these factors are reflexive of the fact that at any point in time, a large portion of farmers are struggling and any further reduction in income or income assurance can negatively impact their motivation and subsequently, their producing capacity. This negative impact, especially the one that tightens the financial budget of the farmers, can not only demotivate them but also keep the willing chunk of farmers to invest in sustainable farming.

4.5. Negative Consequences of Undesirable Factors: Suicide

Even though India has a substantial agrarian economy, ironically, the factors and features of this sector remain undesirable. While 60% of the working population is engaged in agriculture, 11.2% of the suicides are that of farmers (Parvathamma, 2016). Various surveys report the reasons to be adverse rainfalls, lack of irrigation facilities, rise in the costs of agricultural inputs, inconsistent incomes, crop failure, insufficient help from cooperative agencies and commercial banks (Revathi, 1998). Nonetheless, the main issue under the warp of inability to finance oneself and the farm activities are debt traps. The impossibility to cope up with the overindebtedness coupled with low incomes as well as high needs of investment makes suicide seem like a viable option (Bhukuth et al., 2019).

In such cases, the Minimum Support Price (MSP) acts as the safety net, an assured price that can help them plan the loan and repayments. Following the argument, the farmers can pay back the informal loans on obtaining these governments regulated fixed prices. An assured rate can minimise the need to borrow and fall into debt traps as it allows the farmers to plan their investments and calculate their profit margins accordingly. However, if such an assurance is removed, it might affect the factors negatively, feeding on the motivation and assurance of the farmers and further reducing their profit margins. This would place them back to square one: prone to taking loans if met with slight miscalculations and low incomes. Consequently, it can be said that the removal of MSP will increase the number of farmer suicides.

5. CONCLUDING REMARKS

The institution of 'mandis' is as old as markets where wholesale trading in primary production has been taking place since time immemorial. If the government attempts to fix the loopholes of these acts, they have the potential to be 'revolutionary'. The aforementioned loopholes are perturbing and it is pertinent that the government discusses them with effect bearers of the Act, the farmers, and make it more convenient and effective. Additionally, to curb the chances of farmer exploitation by big corporations, the government must improve the laws of contract farming by introducing a proper mechanism. When it comes to solving disputes between farmers and traders, a different regulatory body shall be constituted as opposed to the Sub-Divisional Magistrate. The opinion is that the MSP system is faulty in some aspects. Nonetheless, even though the government claims that they are not removing this system, there is a need to acknowledge the fact that only 6% of the farmers are beneficiaries of this system. It would be desirable if the government implements this scheme with more forethought and broadcasts it via Gram Panchayats as the latter would facilitate awareness about the Acts in the smallest villages, reaching the smallest of farmers. Nonetheless, this solely talks about the political face of farming. Farming, on the other hand, is a multidimensional activity.

While gender and caste are nonfluids, class is variable. With the removal of an assured price, there are chances that the marginal and small landholding farmers will be exploited. Their crops might be sold at low prices furthering them into debt traps and poverty. Moreover, such a case might lower the confidence of landlords on the profit margins, forcing them to lower the already minimal wages paid to landless labourers employed by them.

This alleged removal will affect the quality and conditions of the agricultural produce as well. Cutting the money supply at the stem will flounder the motivation of farmers to invest in high-quality seeds and sustainable oriented expensive inputs. Consequently, this will reduce the fertility of the soil, quality of the produce and sustainability of the practice.

Circling back, since the Acts have already been termed a Masterstroke, it seems that the chances of any modifications in the Acts in question are meagre. However, as of now (2021), the Act is only theoretical. The Act can bear both possibilities: it can either double farmers' incomes or sabotage their livelihoods. While the government's intentions seem to be pure, the practical implications of the Acts can only be judged after a few years.

CONFLICT OF INTEREST

Authors declare no conflict of interest

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