
1. From Plate to Plough: Deaths, Destitution and Democracy

Context:

- India must use the corona-crisis to reform the agri-marketing system by abolishing the APMC Act, promoting e-NAM, and allowing warehouses to double up as mandis.

Brief Background:

- The nation-wide lockdown forced migrant workers walking long distances to their homes which have led to large scale destitution. Most migrant workers come from farming families.
- Because of significant disruption in supply chains as a result of the three-week lockdown, farmers are stuck with large produce, especially of perishables like milk, fruits and vegetables, flowers, even poultry meat and eggs.
- Due to this glut at the farm level, farm prices are collapsing, pushing farmers into destitution, and many farmers are dumping milk and vegetables on roads.
- With procurement season for rabi crops having started, the mandi system will choke, and the social distancing that is necessary to beat Covid 19 will go for a toss, if immediate steps are not taken to organise procurement operations in an orderly manner.
- Wisdom lies in converting this crisis into an opportunity for reforming the country's agri-marketing system.

What the Government should do to make Marketing System Effective?

- Abolish/reframe the Agriculture Produce Marketing Committees (APMC) Act, and encourage direct buying of agri-produce from farmers/farmer producer organisations (FPOs). **The companies, processors, organised retailers, exporters, consumer groups, etc, that buy directly from FPOs need not pay any market fee** as they do not avail of the facilities of APMC yards
- **Warehouses can also be designated as markets**, and the warehouse receipt system should be scaled up
- The Government **must encourage the private sector to open mandis with modern infrastructure, capping commissions.**
- Encourage futures trading by allowing banking finance to hedge for commodity price risks
- **Promote the electronic National Agricultural Market (e-NAM) through proper assaying and grading of the produce, and setting up a dispute settlement mechanism.** Rope in major logistics players for delivery of goods.

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- Stagger procurement through coupons, and incentives of additional bonus for farmers to bring produce to the market
 - Increase PM-Kisan amount from `6,000 to at least `10,000 per farming family to partially compensate them for their losses.

Source: The Indian Express

