

29 October 2020

PUNJAB ASSEMBLY PASSES THREE FARM AMENDMENT BILLS REJECTING THREE CENTRAL FARM LEGISLATIONS PASSED RECENTLY

A special session of the Punjab Assembly passed a resolution on October 20, 2020, rejecting the Central Farm legislations demanding their immediate annulment. The three farm amendment Bills by Punjab Assembly via a unanimous resolution sought the removal of Punjab from the ambit of the said Central Farm Legislations on the grounds that agriculture, agricultural markets, and land fall in the primary legislative domain of the state.

□ Rationale Given by Punjab While Amending Three Central farm Laws:

≡ The three Bills have been passed by Punjab Assembly to:

- Restore the agricultural safeguards for the farmers through the regulatory framework of Punjab Agricultural Produce Markets Act, 1961;
- Secure and protect the interests and livelihoods of farmers and farm laborers and also all others engaged in agriculture and related activities;
- Protect small and marginal farmers of Punjab who have limited access to multiple markets, and lack the negotiation power needed to operate in a private market.

□ Key features of the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services (Special Provisions and Punjab Amendment) Bill, 2020:

≡ The legislation lays down the following:

- No sale or purchase is done below the Minimum Support Price ("MSP") and violation of the same shall invite imprisonment of three years besides fine;
- Sale of wheat and paddy shall be valid only if the seller pays a price equal to or greater than the MSP announced by the central government;
- Farmers can approach a civil court, besides seeking remedies available under the central act in case of any differences with the buyer of his produce;
- State government can notify a fee to be levied on private traders or electronic trading platforms for trade and commerce outside the Agriculture Produce Market Committees established under the Punjab Agricultural Produce Markets Act, 1961 which will go towards a fund for the welfare of small and marginal farmers.
- To give effect to the aforesaid, amends sections 1(2), sections 19 and 20 of the Centre's Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020.

□ Key Features of the Farmer's Produce and Commerce (Promotion and Facilitation) Special Provisions and Punjab Amendment Bill 2020:

≡ The legislation lays down the following:

- Declaration of status quo in the state with regard to the Agriculture Produce Market Committee Act 2016;
- No punitive action to be taken against anyone for violating the provisions of the central Act i.e. Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020.

- Brings the entire state under APMC, to ensure that the private players will also be regulated by the rules of government mandis.
- Provides for punishment for harassment of farmers for payment of less price to the farmers with a term of imprisonment of not less than three years and fine.
- To give effect to the aforesaid, amends sections 1(2), 14 and 15 of the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020.

□ Key Features of the Essential Commodities (Special Provisions and Amendment) Bill, 2020:

≡ The legislation lays down the following:

- Seeks to protect consumers by penalizing those who indulge in hoarding and black marketing of agriculture produce.
- State of Punjab will have the power to order for regulating or prohibiting the production, supply, distribution, and imposing stock limits under extraordinary circumstances, which may include famine, price rise, natural calamity or any other situation.
- Suspends all notices in the state of Punjab regarding the Essential Commodities (Amendment) Act, 2020 issued by the Central government or any other body acting on its behalf.
- Seeks to ensure status quo ante as on June 4, 2020 with regard to implementation of the provisions of the Punjab Agricultural Produce Markets Act, 1961.
- To give effect to the aforesaid, amends section 1(2) and section 3(1A) of the Essential Commodities Act, 1955.

□ A fourth Bill - The Code of Civil Procedure (Punjab Amendment) Bill, 2020 was also passed:

- ≡ Section 60 of The Code of Civil Procedure, 1908 provides for attachment and sale in execution of a decree of various properties such as land of farmers, houses or other buildings, goods, money, bank notes, cheques, bills of exchange, hundis, promissory notes, Government securities, bonds or other securities for money, debts, shares in a corporation.

≡ The legislation shall have the following impact on agricultural land:

- Exempts agriculture land not exceeding 2.5 acres from the ambit of Section 60 of The Code of Civil Procedure, 1908;

□ Apart from the Governor, the Punjab government's new farm Bills need the assent of the President since they seek to amend laws passed by the central government.

Disclaimer:

For private circulation to the addressee only and not for re-circulation. Any form of reproduction, dissemination, copying, disclosure, modification, distribution and/ or publication of this Alert is strictly prohibited. This Alert is not intended to be an advertisement or solicitation. The contents of this Alert are solely meant to inform and is not a substitute for legal advice. Legal advice should be obtained based on the specific circumstances of each case, before relying on the contents of this Alert or prior to taking any decision based on the information contained in this Alert. ZEUS Law disclaims all responsibility and accepts no liability for the consequences of any person acting, or refraining from acting, on such information. If you have received this Alert in error, please notify us immediately by telephone.

Copyright © 2015 ZEUS Law. All rights reserved. Replication or redistribution of content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of ZEUS Law.