



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



- **Objective:** Lok Sabha passed the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020 (“FAPAFS”) on 17 September 2020 and Rajya Sabha passed the bill on 20 September 2020. The President gave assent to the Bill on 24 September 2020 and the Ministry of Law and Justice notified the Act on 27 September 2020.
- **Electronic trading and transaction platform (“ETTP”):** A person (company, partnership, LLP, society, cooperative) with a PAN number may operate a platform for direct and online trade of scheduled farmers’ produce for physical delivery of farmers’ produce. The person must devise and follow fair trade practices for running the platform.
- **Farmers’ produce and Scheduled farmers’ produce:** Farmers’ produce means foodstuffs, cattle fodder, raw cotton, cotton seeds and raw jute. Scheduled farmers’ produce means the agri-produce specified under a State APMC law.
- **Trade area:** It includes an area or location, place of production, collection and aggregation including farm gates, factory premises, warehouses, silos, cold storages; but excludes APMC market yards, private market yards, notified and deemed markets.
- **Freedom to trade outside APMC mandi:** The Act allows a trader to trade in scheduled farmers’ produce with a farmer within the same state or from another state outside the APMC mandis in a trade area.
- **Payment:** A trader must pay the farmer for the scheduled farmers’ produce on the same day. A trader may also pay within three days if a receipt is given to the farmer on the same day.
- **Fee:** The Act exempts the transactions between a farmer and a trader in a trade area, or on ETTP from market fee or cess under the State APMC laws.
- **Dispute resolution:** For a dispute between a farmer and a trader, the Sub-divisional magistrate (SDM) shall appoint a Board of Conciliation with 2-4 members recommended by parties to decide the matter within 30 days. If this mechanism fails, SDM will decide the matter in a summary manner within 30 days after hearing each party. An aggrieved party may appeal to the Collector within 30 days of the order.
- **Price Information and Market Intelligence System:** The Act suggests that the function of dissemination of price performed by APMCs thus far can be performed by the Central Government or any Central Government Organisation by developing a Price Information and Market Intelligence System.