

L. A. BILL No. XVII OF 2021.

A BILL

to amend the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, in its application to the State of Maharashtra

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20 of Whereas it is expedient to amend the Farmers (Empowerment and
2020. Protection) Agreement on Price Assurance and Farm Services Act, 2020, in
its application to the State of Maharashtra, for the purposes hereinafter
appearing ; it is hereby enacted in the Seventy-second Year of the Republic
10 of India as follows :—

1. (1) This Act may be called the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services (Maharashtra Amendment) Act, 2021.

Short title,
extent and
commence-
ment.

(2) It shall extend to the whole of the State of Maharashtra.

15 (3) It shall come into force on such date, as the State Government may, by notification in the *Official Gazette*, appoint.

Amendment of section 1 of Act 20 of 2020. 2. In section 1 of the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, in its application to the State of Maharashtra (hereinafter referred to as "the principal Act"), for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint."

Amendment of section 2 of Act 20 of 2020.

3. In section 2 of the principal Act,—

(1) after clause (a), the following clause shall be inserted, namely:—

"(a-1) "Appellate Authority" means the Appellate Authority as specified in sub-section (4) of section 14;"

(2) after clause (b), the following clause shall be inserted, namely:—

"(b-1) "Competent Authority" means the Competent Authority as specified in sub-section (1) of section 14;"

(3) after clause (j), the following clause shall be inserted, namely:—

"(j-1) "Minimum Support Price" means the price announced for crop purchases by the Central Government;"

(4) for clause (m), the following clause shall be substituted, namely:—

"(m) "prescribed" means prescribed by rules made by the State Government under this Act;"

Amendment of section 5 of Act 20 of 2020.

4. Section 5 of the principal Act shall be re-numbered as sub-section (1) thereof; and after sub-section (1) as so re-numbered the following sub-section shall be added, namely:—

"(2) Notwithstanding anything contained in sub-section (1), no farming agreement for sale or purchase of a crop shall be valid unless the price paid is equal to, or greater than Minimum Support Price:

Provided that, with the mutual consent of farmers and Sponsor, farming agreement for the sale or purchase of a crop may be made below Minimum Support Price for maximum period of two years:

Provided further that, for the crops, where Minimum Support Price is not declared, the price to be paid to farmers under farming agreement shall be decided with the mutual consent of farmer and Sponsor."

Substitution of section 14 of Act 20 of 2020.

5. For section 14 of the principal Act, the following section shall be substituted, namely:—

Mechanism for dispute settlement.

"14. (1) Where the farming agreement does not provide for conciliation process as required under sub-section (1) of section 13 of the Act, or the parties to the farming agreement fails to settle their dispute under the said section within thirty days from the date of initiation of conciliation process, then, any such party may approach to the Competent Authority, as may be prescribed, for deciding the disputes under farming agreement.

(2) On receipt of the dispute under sub-section (1), the Competent Authority may, if,—

(a) the farming agreement did not provide for conciliation process, constitute a conciliation board for settlement of such disputes; or

5 (b) the parties fails to settle their dispute through conciliation process, decide the dispute in a summary manner within thirty days from the date of receipt of such dispute, after giving the parties a reasonable opportunity of being heard and pass an order for recovery of the amount under the dispute, with such penalty and interest, as it deems fit, subject to the following conditions, namely :—

10 (i) where the Sponsor fails to make payment of the amount due to the farmer, such penalty may extend to one and half times the amount due ;

15 (ii) where the order is against the farmer for recovery of the amount due to the Sponsor on account of any advance payment or cost of inputs, as per terms of farming agreement, such amount shall not exceed the actual cost incurred by the Sponsor ;

20 (iii) where the farming agreement in dispute is in contravention of the provisions of the Act, or default by the farmer is due to *force majeure*, then, no order for recovery of amount shall be passed against farmer.

5 of 25 1908. (3) Every order passed by the Competent Authority under this section shall have same force as a decree of a civil court and be enforceable in the same manner as that of a decree under the Code of Civil Procedure, 1908, unless an appeal is preferred under sub-section (4).

30 (4) Any party aggrieved by the order of the Competent Authority may prefer an appeal to the Appellate Authority, as may be prescribed, within thirty days from the date of such order.

(5) The Appellate Authority shall dispose of the appeal within thirty days.

5 of 35 1908. (6) Every order passed by the Appellant Authority under this section shall have same force as a decree of a civil court and be enforceable in the same manner as that of a decree under the Code of Civil Procedure, 1908.

(7) The amount payable under any order passed by the Competent Authority or the Appellant Authority, as the case may be, may be recovered as arrears of land revenue.

40 (8) The Competent Authority or the Appellant Authority shall, while deciding disputes under this section, have all the powers of a civil court for the purposes of taking evidence on oath, enforcing the attendance of witnesses, compelling the discovery and production of documents and material objects and for such other purposes, as may be prescribed.

45 (9) The manner and procedure for filing a petition or an application before the competent Authority and an appeal before the Appellant Authority shall be such, as may be prescribed.”

50 6. In section 17 of the principal Act, for the words “ Sub-Divisional Authority ” the words “Competent Authority” shall be substituted.

Amendment of section 17 of Act 20 of 2020.

Amendment of section 18 of Act 20 of 2020.

7. In section 18 of the Principal Act, for the words " Sub-Divisional Authority " the words " Competent Authority " shall be substituted.

Amendment of section 19 of Act 20 of 2020.

8. In section 19 of the Principal Act, for the words " Sub-Divisional Authority " the words " Competent Authority " shall be substituted.

Insertion of new section 21A in Act 20 of 2020.

9. After section 21 of the principal Act, the following section shall be inserted, namely :—

Punishment for harassment of farmers.

" 21A. Notwithstanding anything contained in any other law for the time being in force, if a Sponsor causes harassment to the farmer, such Sponsor shall be guilty of an offence of harassment and shall be punishable with imprisonment for a term which shall not be less than three years.

Explanation.—For the purposes of this section, an offence of harassment shall be treated to be committed where the Sponsor fails to make payment to farmer in time or fails to pay the agreed consideration to the farmer as per farming agreement." 15

Substitution of section 23 of Act 20 of 2020.

10. For section 23 of the principal Act, the following section shall be substituted, namely :—

Power to make rules.

" 23. (1) The State Government may, by notification in the *Official Gazette*, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be, after it is made, before each House of the State Legislature, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, and notify such decision in the *Official Gazette*, the rule shall, from the date of such notification, have effect only in such modified form or be of no effect as the case may be ; so, however that, any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule." 25 30

Power to remove difficulties.

11. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion arises, by an order published in the *Official Gazette*, do anything not inconsistent with the provisions of this Act, which appears to it to be necessary or expedient for the purposes of removing the difficulty : 35

Provided that, no such order shall be made after the expiry of the period of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made, before each House of the State Legislature. 40

STATEMENT OF OBJECTS AND REASONS

The Parliament has enacted the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (Central Act No. 20 of 2020) (hereinafter referred to as "the Central Act"), to provide for national frame work on farming agreement that protects and empowers farmers to engage with agri-business firms, processors, wholesalers, exporters or large retailers for farm services and sale of future farming produce at a mutually agreed remunerative price frame work in fare and transparent manner.

2. In the Central Act, there is no provision for making farming agreement on minimum support price. Section 14 provides dispute resolution mechanism for farmers. In the said section, Sub-Divisional Magistrate is the Competent Authority and Collector is the Appellate Authority to resolve the disputes between the farmers and Sponsors. Considering the work load on the Revenue Authorities such as Sub-Divisional Magistrate and Collector, it may not be possible for them, to give sufficient time to resolve the disputes between farmers and Sponsors. To assure that the farmer should get the price of his agricultural produce within time, a provision for punishment is proposed.

3. To protect the interest of the farmers effectively, the Government of Maharashtra considers it expedient to amend the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, in its application to the State of Maharashtra, the following amendments are proposed in the Bill,—

(a) in section 5, it is proposed that,—

(i) farming agreement shall not be valid unless the price paid to farmer is equal to or greater than Minimum Support Price ;

(ii) farmer and Sponsor can make farming agreement below Minimum Support Price with mutual consent for maximum period of two years ;

(iii) for the crops where Minimum Support Price is not declared then, farmer and Sponsor may enter in farming agreement with mutually agreed price ;

(b) in section 14, in case of any dispute arising out of a farming agreement between the farmer and Sponsor, the parties may approach to the Competent Authority for deciding dispute. The provision of appeal to the Appellate Authority against the order of the Competent Authority is also made ;

(c) the provision for punishment of imprisonment of not less than three years, for harassment to the farmer is also made ;

(d) provision for power to make rules by the State Government is also made.

4. The Bill is intended to achieve the above objectives.

Mumbai,
Dated the 6th July 2021.

DADAJI BHUSE,
Minister for Agriculture.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposals for delegation of legislative power, namely:—

Clause 1(3).— Under this clause, power is taken to the State Government to bring into force the provisions of the Act, on such date, as the State Government may, by notification in the *Official Gazette*, appoint.

Clause 2.— Under this clause, power is taken to the State Government, to bring into force the provisions of the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, on such date, as the State Government may, by notification in the *Official Gazette*, appoint.

Clause 5.— Under this clause, which seeks to substitute section 14 of the principal Act,—

(a) in sub-section (1), power is taken to the State Government to prescribe the Competent Authority for the purposes of the Act ;

(b) in sub-section (4), power is taken to the State Government to prescribe the Appellate Authority to prefer an appeal against the order of the Competent Authority ;

(c) in sub-section (8), power is taken to the State Government to prescribe such other purposes for deciding the dispute under this section ;

(d) in sub-section (9), power is taken to the State Government to prescribe the manner and procedure for filing a petition or an application before the Competent Authority and appeal before the Appellate Authority.

Clause 10.— Under this clause, which seeks to substitute section 23 of the principal Act, in sub-section (1), power is taken to the State Government, to make rules, the notification in the *Official Gazette*, to carry out the purpose of the said Act.

Clause 11(1).— Under this clause, power is taken to the State Government to issue an order in the *Official Gazette*, for removing any difficulty which may arise in giving effect to the provisions of the Act.

2. The above-mentioned proposals for delegation of legislative power are of normal character.

ANNEXURE TO THE L. A. BILL NO. XVII OF 2021.—
THE FARMERS (EMPOWERMENT AND PROTECTION)
AGREEMENT ON PRICE ASSURANCE AND FARM SERVICES
(MAHARASHTRA AMENDMENT) BILL, 2021.

(Extracts from the Farmers (Empowerment and Protection)
Agreement on Price Assurance and Farm Services Act, 2020)

(XX of 2020)

1. (1) * * * *

(2) It shall be deemed to have come into force on the 5th June, 2020.

2. In this Act, unless the context otherwise requires.— Definitions.

(a) to (l) * * * *

(m) "prescribed" means prescribed by the rules made under this Act

(n) to (p) * * * *

3. to 13 * * * *

14. (1) Where, the farming agreement does not provide for Mechanism conciliation process as required under sub-section (1) of section 13, for or the parties to the farming agreement fail to settle their dispute dispute under that section within a period of thirty days, then, any such party resolution. may approach the concerned Sub-Divisional Magistrate who shall be the Sub-Divisional Authority for deciding the disputes under farming agreements.

(2) On receipt of a dispute under sub-section (1), the Sub-Divisional Authority may, if—

(a) the farming agreement did not provide for conciliation process, constitute a conciliation board for bringing about settlement of such dispute; or

(b) the parties failed to settle their dispute through conciliation process, decide the dispute in a summary manner within thirty days from the date of receipt of such dispute, after giving the parties a reasonable opportunity of being heard and pass an order for recovery of the amount under dispute, with such penalty and interest, as it deems fit, subject to the following conditions, namely:—

(i) where the Sponsor fails to make payment of the amount due to the farmer, such penalty may extend to one and half times the amount due;

(ii) where the order is against the farmer for recovery of the amount due to the Sponsor on account of any advance payment or cost of inputs, as per terms of farming agreement, such amount shall not exceed the actual cost incurred by the Sponsor;

(iii) where the farming agreement in dispute is in contravention of the provisions of this Act, or default by the farmer is due to force majeure, then, no order for recovery of amount shall be passed against the farmer.

(3) Every order passed by the Sub-Divisional Authority under this section shall have same force as a decree of a civil court and be enforceable in the same manner as that of a decree under the Code of Civil Procedure, 1908, unless an appeal is preferred under sub-section (4).

(4) Any party aggrieved by the order of the Sub-Divisional Authority may prefer an appeal to the Appellate Authority, which shall be presided over by the Collector or Additional Collector nominated by the Collector, within thirty days from the date of such order.

(5) The Appellate Authority shall dispose of the appeal within thirty days.

(6) Every order passed by the Appellant Authority under this section shall have same force as a decree of a civil court and be enforceable in the same manner as that of a decree under the Code of Civil Procedure, 1908.

(7) The amount payable under any order passed by the Sub-Divisional Authority or the Appellant Authority, as the case may be, may be recovered as arrears of land revenue.

(8) The Sub-Divisional Authority or the Appellate Authority shall, while deciding disputes under this section, have all the powers of a civil court for the purposes of taking evidence on oath, enforcing the attendance of witnesses, compelling the discovery and production of documents and material objects and for such other purposes as may be prescribed by the Central Government.

(9) The manner and procedure for filing a petition or an application before the Sub-Divisional Authority and an appeal before the Appellate Authority shall be such as may be prescribed by the Central Government.

15. to 16. * * * *

Authorities under Act to be public servants. 17. All authorities, including Registration Authority, Sub-Divisional Authority and Appellate Authority, constituted or prescribed under this Act, shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

Protection of action taken in good faith. 18. No suit, prosecution or other legal proceeding shall lie against the Central Government, the State Government, the Registration Authority, the Sub-Divisional Authority, the Appellate Authority or any other person for anything which is in good faith done or intended to be done under the provisions of this Act or any rule made thereunder.

Bar of jurisdiction of civil court. 19. No civil Court shall have jurisdiction to entertain any suit or proceedings in respect of any dispute which a Sub-Divisional Authority or the Appellate Authority is empowered by or under this Act to decide and no injunction shall be granted by any court or other authority

in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act or any rules made thereunder.

20. to 22. * * * *

23. (1) The State Government may, by notification in the *Official Gazette*, make rules for carrying out the provisions of this Act. Power of State Government

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:— to make rules.

(a) the mode and manner of payment to the farmer under sub-section (4) of section 6;

(b) the constitution, composition, powers and functions of the Registration Authority, and the procedure for registration under sub-section (2) of section 12;

(c) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules, by the State Government.

(3) Every rule made by the State Government under this Act shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.

24. to 25. * * * *

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L. A. BILL No. XVII OF 2021.]

**[A Bill to amend the Farmers
(Empowerment and Protection)
Agreement on Price Assurance and
Farm Services Act, 2020, in its
application to the State of
Maharashtra.]**

**[SHRI DADAJI BHUSE,
Minister for Agriculture.]**

**RAJENDRA BHAGWAT,
Secretary,
Maharashtra Legislative Assembly.**