

# Bill Summary

## The Farmers' Produce Trade and Commerce (Promotion and Facilitation) (Rajasthan Amendment) Bill, 2020

- The Farmers' Produce Trade and Commerce (Promotion and Facilitation) (Rajasthan Amendment) Bill, 2020 was introduced in and passed by the Rajasthan Assembly on November 2, 2020. The Bill amends the central Act, the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, in its application to the state of Rajasthan. The central Act provides for the barrier-free trade of farmers' produce outside the physical premises of the markets notified under the various state Agricultural Produce Marketing Committee (APMC) Acts. The Bill provides for the state government to regulate and impose market fee on notified farm produce in a trade area. The Bill will override any other law currently in force.
- **Fee on trade carried outside markets:** The central Act prohibits the state governments and APMCs from levying any market fee, cess, or any other charge on the trade of scheduled farmers' produce outside the APMC markets. The Bill empowers the state government to levy a fee on private traders or electronic trading platforms for trade and commerce outside the markets established under the Rajasthan Agricultural Produce Markets Act, 1961. Such fees collected will be utilised towards the running of the market committee and setting up a welfare fund for farmers.
- **Dispute Resolution Mechanism for Farmers:** The central Act provides for disputes between farmers and traders to be resolved through a Conciliation Board set up by the Sub-Divisional Magistrate (SDM). The Conciliation Board will be chaired by an appointee of the SDM. It will also have between two and four members appointed in equal numbers to represent the parties to the dispute. The Bill provides for the
- market committee (set up under the 1961 APMC Act) to resolve disputes related to farming agreements. A market committee provides facilities for and regulates the marketing of agricultural produce in a designated market area.
- **Punishment for harassment of farmers:** The Bill prescribes punishment for the harassment of farmers. Harassment includes: (i) a buyer compelling a farmer to enter into a contract to sell farm produce at a price below MSP, or (ii) a buyer refusing to accept produce or take delivery of goods (under an agreement) within a week from date of intimation by the farmer. Such an offence will attract imprisonment between three and seven years, or a fine of five lakh rupees, or more, or both.
- **Power of civil courts:** As per the central Act, the civil courts do not have a jurisdiction over disputes under the central Act. The Bill provides that the jurisdiction of civil court over disputes will be as per the state APMC Act and rules under it. Currently, the 1961 Act prohibits civil courts from adjudicating over disputes related to trade allowance and contract farming agreements under the Act.
- **Special provisions for Rajasthan:** The Bill provides that the 1961 Act will continue to apply in Rajasthan, as it did prior to the enactment of the central Act (i.e. June 4, 2020). The Bill will come into force on the date notified by the state government in the Gazette. Further, all notices issued by the central government or any authority under the central Act will be suspended. No punitive action will be taken for any violation of the provisions of the central Act.

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