

from small farmers directly, but an economic system could get created which will be detrimental to small and medium farmers.” In India, for example, according to official data, only 4% farmers have land holdings, which are more than 10 hectares and 86% farmers have a landholding size of less than 5 hectares and the remaining are what are called medium farmers, who have a land holdings of 6 to 8 hectares.

Private businesses have already invested in supplying seeds and pesticides; they began to expand their operations to consumer goods, ranging from potato chips and tomato sauce to processed cereals and dairy products. Both Indian and foreign big businesses like Adani, Reliance, Tata Rallis, Hindustan Unilever Group, and foreign companies such as Nestlé, and Monsanto have increased their operations in Indian agriculture. The farm laws will “override and undermine” the role of State government and violate principles of Indian federalism. The new laws, meant to promote contract farming, fail to take into account the “huge asymmetry” between small farmers on the one hand and companies on the other. Contract farming will increase the power of big businesses and offer no protection to the peasants. These will “consolidate... the market and the value chains in agricultural commodities in the hands of a few big players, as has happened in other countries such as the U.S. and Europe.”

The absence of any mention of MSP in the legislations should be interpreted as a quiet withdrawal of the government from the public procurement system. The MSP involvement in agricultural markets by the government has facilitated India's transformation from an import-dependent country to one that has large food grains stocks. The government procurement of foodgrains has the following advantages: providing incentives for farmers in the form of assured returns, and will dampen food price volatilities in India, which is a common occurrence in global markets. It has helped to build food grains stocks for sustaining the public distribution system (PDS). If the government stops procuring food grains by offering the MSP, the PDS will collapse.

However, according to data, only 6% of the farmers in India are fully covered by the MSP, and 84% are located in the states of Punjab and Haryana. It is a widely known fact that farmers in Punjab, Haryana and Western UP are better off compared to other regions in India. Therefore, MSP needs to be widely available to farmers in other states rather than dismantling it. Farmers across the country are demonstrating

against it. The new laws have the potential to restructure Indian agriculture in areas of production, procurement, marketing, pricing, stocking and land ownership. The government is arguing that since small farms are non-profitable it is necessary to opt for corporate farming. The law will lead to large-scale landlessness, unemployment and further impoverishment of rural India. As per the 2011 census, there are 494.9 million landless individuals in villages, who are directly or indirectly dependent on cultivation for their livelihoods.

Moreover, the researchers have demonstrated that vegetable and fruit cultivation does not mean a rise in the incomes of small farmers. For example, experiences in Africa and Latin America show that no clear benefits accrue to small and marginal farmers from contract farming. Small and marginal farmers constitute the majority of agricultural producers in India, and these Acts can impact their welfare adversely. This growing crisis was further exacerbated by the entry of multinational and corporate agri-businesses. These factors had a detrimental impact on emerging capitalist farmers who owned fewer than 4 hectares. Increased costs for inputs and technology mired them in loan cycles, which culminated in a suicide wave that took the lives of nearly 20,000 farmers in the last two decades in Punjab alone. We should mention here that the number of farmer suicides in India since 1994 is more than 350,000 (The Wire, 2021).

A misconception is created that farmers' income would increase earned per acre, and shifting an acre from food-grains production to some cash crop for export would double the income for the farmers. However, it is ignored that it will halve the employment generated on that acre compared to producing cereals, rice and lentils. This would mean less employment, and could increase destitution and unemployment in rural India. Big corporations would bid down their purchase prices, increase contract farming, and increase poverty among small farmers, while big companies who engage in exports would increase their profits through exporting fruits and vegetables to developed countries. It is therefore not the apparent income gain, but adverse impact on employment that will be severe; also, a large populated country like India will become dependent on food imports.

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It could be argued of course that if the MSP and procurement prices are raised, then that would raise food prices for consumers. This is a misconception, and procurement prices can be raised without raising issue prices through an increase in the food subsidy.