

The Farm Laws Repeal Act, 2021

(ACT NO. 40 OF 2021)

[*As on the* 6*th October,* 2025]

LIST OF ABBREVIATIONS USED

G.S.R.	*for*	General Statutory Rules.
S.O.	„	Statutory Order.
Notifn.	„	Notification.

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THE FARM LAWS REPEAL ACT, 2021

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title.
2. Repeal of Acts 20 of 2020, 21 of 2020 and 22 of 2020.
3. Amendment of Act 10 of 1955.

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THE FARM LAWS REPEAL ACT, 2021

ACT NO. 40 OF 2021

[30*th November*, 2021.]

An Act to repeal the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, the Essential Commodities (Amendment) Act, 2020 and to amend the Essential Commodities Act, 1955.

BE it enacted by Parliament in the Seventy-second Year of the Republic of India as follows:—

1. Short title.— This Act may be called the Farm Laws Repeal Act, 2021.

2. Repeal of Acts 20 of 2020, 21 of 2020 and 22 of 2020.— The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 and the Essential Commodities (Amendment) Act, 2020 are hereby repealed.

3. Amendment of Act 10 of 1955. —In section 3 of the Essential Commodities Act, 1955, sub-section (1A) shall be omitted.

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STATEMENT OF OBJECTS AND REASONS

Agriculture marketing plays an important role in providing necessary services to producers and buyers. Majority of the farmers in India are small and marginal farmers with less than two hectares of land. The Government has been making several interventions to support farmers, including small and marginal farmers by providing quality seeds, credit, insurance, procurement and market support and the like.

2. The Budget allocation for Department of Agriculture has been increased by more than five times since 2014 and this year one hundred twenty three lakh crore rupees are being spent on various schemes or programmes. Under the Soil Health Card Scheme, approximately twenty-two crore cards have been distributed to farmers which are aimed at enhancing farm productivity. Under another Scheme, one hundred six lakh crore rupees have been transferred directly to eleven crore farmers. To increase the bargaining power of small and marginal farmers, a Central Sector Scheme for formation and promotion of ten thousand farmer producer organisations with a budget of six thousand eight hundred sixty-five crore rupees has been launched. Risk mitigation for farmers has been ensured under the Bima Yojana. Since the launch of the said Yojana in 2016, claims of over one lakh crore rupees have been settled benefitting approximately eight crore eighty-three lakh claims of farmers. The Agriculture Infrastructure Fund of one lakh crore rupees will promote investment in farm gate for post harvest infrastructure like warehouses, cold storages and community assets and the like. The agricultural marketing infrastructure has been modernised with the launch of National Agriculture Market, a pan-India virtual trading platform for transparent price discovery. The flow of credit for crop loans has been doubled since 2014 to sixteen lakh crore rupees. Allocation to Micro Irrigation has also been doubled. Farmers' welfare schemes and programmes such as natural farming, organic farming, Oil Palm Mission, Pulses Mission and Agriculture Mechanisation have been expanded. For the first time Minimum Sale Price has been fixed atleast 1.5 times of the cost of production, and procurement of oilseeds, pulses and cotton have also started, in addition to paddy and wheat.

3. To enable the farmers to sell their produce at higher prices and benefit from technological improvements, farmers have been provided access to agriculture markets which will help them increase their income. With this objective three Farm Laws, namely, (i) the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 (20 of 2020); (ii) the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 (21 of 2020); and (iii) the Essential Commodities (Amendment) Act, 2020 (22 of 2020), were enacted, as a part of the Government's endeavour to improve the condition of farmers including small and marginal farmers. These enactments—

(a) provided freedom to the farmers to sell their produce to any buyer at any place of their choice to realise remunerative prices;

(b) created an ecosystem wherein processor, bulk buyers, organised retailers and exporters and the like can directly engage with the farmers;

(c) created a facilitative framework for electronic trading to improve transparency and price discovery; and

(d) provided a legal framework for farming contracts to protect the interest of the farmers, economically empower them and assure the price for their produce in advance.

For years, this demand was constantly made by farmers, agricultural experts, agricultural economists and farmer organisations across the country. During the COVID-19 pandemic, reform measures have been undertaken in many sectors of the economy, including agriculture and allied sectors.

4. These enactments were made for the overall socio-economic development of the farmers and rural sector after extensive consultations with various stakeholders following the felt need and demand of the farmers' organisations, suggestions and recommendations of the experts, professionals, agricultural economists, expert committees over the years. Various Governments during the last three decades have tried to initiate such reforms, but not in a comprehensive way. Further, there has been technological advancement in recent times.

5. Even though only a group of farmers are protesting against these laws, the Government has tried hard to sensitise the farmers on the importance of the Farm Laws and explain the merits through several meetings and other forums. Without taking away the existing mechanisms available to farmers, new

avenues were provided for trade of their produce. Besides, farmers were free to select the avenues of their choice where they can get more prices for their produce without any compulsion. However, the operation of the aforesaid Farm laws has been stayed by the Hon'ble Supreme Court of India. During the COVID period, the farmers have worked hard to increase production and fulfil the needs of the nation. As we celebrate the 75th Year of Independence— "Azadi Ka Amrit Mahotsav", the need of the hour is to take everyone together on the path of inclusive growth and development.

6. In view of the above, the aforesaid Farm Laws are proposed to be repealed. It is also proposed to omit sub-section (1A) of section 3 of the Essential Commodities Act, 1955 (10 of 1955) which was inserted vide the Essential Commodities (Amendment) Act, 2020 (22 of 2020).

NARENDRA SINGH TOMAR.

NEW DELHI;
The 24*th November*, 2021.

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