

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

# Farming Agreements Act.

- Farming Produce
- Farming Agreements
- Model Agreements
- Farm Services
- Norms for quality and grade standards
- Price Predictability
- Protection to Farmers
- Exemption from Mandi Fees and EC Act.
- Conciliation & Dispute Resolution

# Farming Agreements Act.

- Legal framework for agreements between farmers and sponsors for purchase of farming produce and provision of farm services, entered into before the harvest.
- Types of agreements :
  - 1) Ownership of commodity remains with the farmer and he gets paid on delivery of produce
  - 2) Sponsor provides inputs and bears risks, the farmer gets payed for the services.
  - 3) Such other agreement or combination thereof.
- Guidelines for model farming agreements by Central Government.

# Farming Agreements Act.

- Price of farming produce may be fixed in advance as per the farming agreement.
- Where such price is subject to variation then a minimum guaranteed price has to be fixed.
- Any additional amount including bonus over and above the guaranteed price will be as per clear price reference.
- Price reference linked to suitable benchmark prices.
- Method of determining advance or guaranteed price shall form part of the agreement.

# Farming Agreements Act.

- Compliance with mutually agreed quality grade and standards of farming produce.
- Compatibility with agronomic practices and agro climate.
- Formulated by national/state agency or globally acceptable like:
  1. Standards for pesticide residue
  2. Good agricultural practices
  3. Labour and social development
- Third party assaying and quality monitoring as per mutually agreed terms.

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- Provision of model agreements for guidance of farmers.
- Quality standards, pricing referencing and guaranteed prices to be explicitly mentioned in the agreement.
- Sponsor to ensure timely acceptance of delivery and payment of produce.
- Agreement cannot be in derogation of rights of sharecroppers.
- Sale, lease or mortgage of Farmer's land is prohibited.
- Sponsor not allowed to build any permanent structure, if built and not removed then ownership will vest with Farmer.
- Farmer's liability limited to advance received and cost of inputs provided by the Sponsor.
- Farmer's land protected against any recovery.

# Farming Agreements Act.

- Aggregators and farm service provider may join as third party.
- Multiple arrangements possible such as provision of inputs, and technology.
- Provision for linkage with insurance and credit.
- Aggregation of produce by a third party, and farmer producer organisations.
- Mandatory registration of agreements not required.
- E-Registry for facilitation may be set up by States.



# **Farming Agreements Act.**

- Mandatory conciliation amongst parties without involvement of any Government functionary
- Parties may approach Sub Divisional Authority only when conciliation fails.
- Summary process and time limits prescribed for resolution.
- Recovery of decretal amount as arrears of land revenue.
- Penalty against Sponsor for non payment may be extended to one and half times of amount due.

THANKS