

Shri Amarjit Singh, Member of the Commission suggested that Law Commission should propose a legislation, namely Farmers and Agricultural Workers Welfare Cess Bill. It provides for levy and collection of cess from certain products/persons and utilizing the same for the welfare of farmers and agriculture workers. The object of the proposed Bill is to ameliorate the conditions of rural farmers and landless agriculture workers who are undergoing untold suffering and penury by reason of various factors peculiar to agriculture sector (including horticulture and plantations). The rural indebtedness of the farmers by reason of adverse seasonal conditions, lack of remunerative market, non-availability of adequate institutional support for financial assistance and the expenditure on prevailing social customs are the problems faced by Indian farmers. It is pointed out that loans can be obtained from the banks at present only for agricultural purposes i.e. raising crop and purchasing agricultural equipment. For marriages, education and for construction of houses, no loans can be easily obtained by them. Old aged persons and women in the families depending on agriculture, are suffering in many ways. The suicide by farmers, as is well known, is on the increase. Over the past 15 years, an estimated 2.5 lakhs farmers have committed suicides in India. The number of rural poor persons has increased. Hence, a way out should be found to implement welfare schemes for farmers and agriculture workers at village level by generating necessary funds.

The proposed cess shall be levied under a Central Act at a rate not exceeding 3% but not less than 1% as may be specified by the Central Government and it should be levied and collected on (i) imported perishable;

(ii) imported agro by-products; (iii) diesel cars; (iv) diesel generators and (v) Consumers who purchase perishable items from farmers directly in 'Apni Mandi' . The proceeds of the cess will go into a welfare fund. The welfare schemes have to be notified by the Central Government and also the State Governments. Any scheme notified by the State Government may be wholly funded from the welfare fund. The State Government can also seek financial assistance if there is shortfall in the welfare fund. The Central Government shall formulate welfare schemes for the farmers and agriculture workers on matters relating to old age pension, life insurance (covering death, accident and illness) and crop insurance. Further, the scheme shall provide for sanctioning soft loan to provide financial assistance for education, daughters' marriages, house construction and other welfare measures to be decided by National Board. Supply of free solar power is also one of the items to be included in the Scheme. The State Government can also formulate suitable welfare schemes for agriculture workers. The persons who can take benefit of these Schemes are farmers who possess land of not more than 10 acres either as owner or lessee, having agriculture as the only source of income. 'Agriculture worker' means a person who has assisted a farmer for his livelihood on agriculture for a minimum period of 90 days in a year. The eligible farmer and workers should get themselves registered with the Tehsil Board on the recommendation of Gram Sabha. The procedure for registration and the mechanism to check irregularities in the disbursement of aid are stated in the proposed Bill. The Bill provides for constitution of National, State, District and Tehsil level Boards. Punishment of officials for wrong registration or failure to register is provided.

The matter was debated in the last meeting of the Commission held on 17th August, 2012. As certain clarifications were needed and the term of the Commission is coming to an end shortly, nothing more could be done to decide on further action to be taken in response to the Id. Member's suggestion. However, Hon'ble Chairman directed that this Note may be placed on the website of the Commission.