

FARM BILLS SIGNIFICANT STEP FORWARD FOR AGRICULTURE REFORMS IN INDIA: IMF

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'The measures will enable farmers to directly contract with sellers, allow farmers to retain a greater share of the surplus by reducing the role of middlemen'

The IMF believes the farm bills passed by the Indian government have the potential to represent a significant step forward for agricultural reforms, but a social safety net is needed to protect those who might be adversely impacted during the transition to the new system, a spokesperson of the global lender said here.

Gerry Rice, Director of Communications at the International Monetary Fund (IMF), said the new measures will reduce the role of the middlemen and enhance efficiency.

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"We believe the farm bills do have the potential to represent a significant step forward for agricultural reforms in India," Rice said at a news conference in Washington on Thursday.

"The measures will enable farmers to directly contract with sellers, allow farmers to retain a greater share of the surplus by reducing the role of middlemen, enhance efficiency and support rural growth," he said.

"However, it is crucial that the social safety net adequately protects those who might be adversely impacted during the transition to this new system," the spokesperson said responding to a question on the ongoing protests by farmers against the laws in India.

This can be done by ensuring that the job market accommodates those that are impacted by the reforms, he said.

And of course, the growth benefits of these reforms will depend, critically, on the effectiveness and the timing of their implementation, so need to pay attention to those issues as well with the reform," Rice said.

Thousands of farmers, mostly from Punjab and Haryana, have been camping at several Delhi border points, demanding a complete repeal of the three farm laws and legal guarantee of minimum support price for their crops.

Enacted in September last year, the three laws have been projected by the Centre as major reforms in the agriculture sector that will remove middlemen and allow farmers to sell their produce anywhere in the country.

However, the protesting farmers have expressed their apprehension that the new laws would pave the way for eliminating the safety cushion of the Minimum Support Price (MSP) and do away with the "mandi" (wholesale market) system, leaving them at the mercy of big corporates.

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