

Annexure 3

Frequently Asked Questions:

1. Does the New Ordinance give protection on the price fluctuation as per agreement?

Answer: Yes, to ensure the best value to farmers, a clear price reference for any additional amount over and above the guaranteed price including bonus or premium with taking price references from APMC yard or electronic trading or any benchmark prices.

2. Is there protection for seed farmers on quality and price?

Answer: farmers growing seeds to receive payment of not less than two-third of the agreed amount at the delivery and the remaining amount after the due certification not greater than 30 days from the date of delivery.

3. Is the produce under the agreement liable for taxes or any other state regulations?

Answer: Any farm produce under this ordinance shall be exempt from the application of state act, by whatever name called.

4. Can the buyer have land acquiring rights or make any permanent modification on the field during the farming contract?

Answer: the buyer does not have a right on the land, and cannot make any permanent modifications without the consent of the farmer.

5. Can any farmer terminate or modify the agreement in the middle of the contract period?

Answer: any farm contract agreement can be terminated in the middle of the period with mutual consensus and valid reasons.

6. What if there is any dispute between the farmer and the buyer?

Answer: Any dispute shall be first referred to the conciliation board formed as per the provisions of the farming agreement.

7. What is a conciliation board?

Answer: Every agreement shall explicitly provide for a conciliation process and formation of a board with representatives of both the parties.

8. What if the dispute is not cleared at the Conciliation board?

Answer: If the dispute is not resolved even after 30 days with the conciliation board, the matter may be taken to Sub-divisional magistrate for settlement. He may constitute a conciliation board if necessary or clear the dispute by himself/herself after taking necessary information and clarifications from both the parties.

9. What would be the effect of penalties?

Answer: If a buyer fails to pay the farmers, he may have to pay almost 150% of the original amount, if proved guilty. If the order is against the farmer for recovery of the amount, such amount shall not exceed the actual amount of payment.

10. If the order is against the farmer. Will the land be confiscated/mortgaged/sold etc.

Answer: No action for the recovery of dues to be made against farmer's land.