VOLUME 6 | ISSUE 4

INTERNATIONAL JOURNAL OF ADVANCED LEGAL RESEARCH

ECONOMIC RIGHTS OF THE FARMERS UNDER THE PUNJAB AGRICULTURAL PRODUCE MARKETS ACT, 1961

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Abstract:

The Punjab Agricultural Produce Act, 1961 was enacted to regulate agricultural markets, protect farmers from exploitative practices and ensure fair pricing for their produce. This paper examines the extent to which the Act safeguards the economic rights and livelihoods of farmers in Punjab. The paper analyses relevant statutory provisions creating a correlation between the various provisions of the Act and the provisions governing fundamental rights in the Constitution of India. The researcher has also added various judicial pronouncements in the paper so as to create a nexus between the judicial mindset and the core values of the Act. The paper also sheds light on the persistent challenges such as political capture of market committees, delayed remunerative payments, lack of digital transparency and ineffective grievance mechanisms which undermine the practical realization of the economic rights of farmers. The paper also contains the various initiatives which could be taken by the legislators so as to make sure that the Act is able to achieve its goal of protecting the livelihoods of the farmers.

Keywords:*Punjab Agricultural Produce Markets Act, 1961; Farmers' Rights; Fair Pricing; Market Access; Grievance Redressal; Market Transparency; Agricultural Governance; Judicial Interventions*

1. INTRODUCTION

Punjab is situated in the northern part of India bordered by Jammu and Kashmir to the north, Himachal Pradesh to the east, Haryana to the south and Rajasthan to the southwest.[3] Punjab

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[3] Government of Punjab, *Statistical Abstract of Punjab 2023* (Economic Adviser to Government of Punjab, Chandigarh, 2024) 1

has an area of 50,362 km2, which is 1.5% of the total geographical area of the country.[4] Punjab's climate is influenced by the Himalayas in the north and the Thar Desert in the south and southwest.[5] Punjab had been a star performer in agriculture during the heydays of the green revolution.[6]

Agriculture is largely dominated by marginal and small farmers in all Indian states.However, the case is different in Punjab, where the sector is largely dominated bysemi-medium and medium farmers.Physical infrastructure such as irrigation, power and road play an important rolein agricultural growth. Investment in these sectors facilitated the intensive use ofinputs. Any farmer who is toiling in the sun to grow the produce is expecting good returns from it. In such a case Punjab has developed a very effective system of agriculture marketing by introducing mandis in Punjab. The specific places regulated by the State government are called mandis. The commodities with these agricultural markets are sold on the minimum support price fixed by the Commission for Agriculture Costs and Price (CACP).The Commission for Agriculture Costs and Price is the new name given to the agriculture produce commission. The Commission was established in 1985 and works under the Department of Agriculture and Farmers Welfare, Government of India.[7] The Commission was established in 1985 and works under the Department of Agriculture and Farmers Welfare, Government of India.Currently, the Commission has one Chairman, one Member Secretary, one Member (Official) and two Members (Non-Official).[8]

The Punjab Agriculture Produce Markets Act, 1961 was enacted by the State government to ensure provision of MSP to the farmers. On 26th May, 1961 the Punjab State Agricultural Marketing Board (PSAMB) was established by the State Government under the Punjab Agricultural Produce Markets Act, 1961 in the state of Punjab.The prime objective of the

[4] Government of India, Ministry of Statistics and Programme Implementation, *Statistical Year Book India 2024* (MOSPI, New Delhi, 2024) 3; Government of Punjab, *Statistical Abstract of Punjab 2023* (Economic Adviser to Government of Punjab, Chandigarh, 2024) 1

[5] Government of Punjab, Department of Agriculture and Farmers Welfare, *State Agricultural Profile: Punjab* (Government of Punjab, Chandigarh, 2023) 2–3

[6] Ashok Gulati, Ranjana Roy and Siraj Hussain, "Performance of Agriculture in Punjab" in Ashok Gulati, Shweta Saini and Siraj Hussain (eds.), *Revitalizing Indian Agriculture and Boosting Farmer Incomes* (Springer Nature, Singapore, 2021) 77, 77–78.

[7] Government of India, Ministry of Agriculture and Farmers Welfare, *Commission for Agricultural Costs and Prices (CACP): About Us* (Department of Agriculture & Farmers Welfare, New Delhi, 2025) *available at* :https://cacp.da.gov.in?utm_source=chatgpt.com (last visited June 7, 2026).

[8] Government of India, Ministry of Agriculture and Farmers Welfare, *Price Policy for Kharif Crops* (Commission for Agricultural Costs and Prices, New Delhi, latest edition).

PSAMB was to regulate and monitor the marketing network of sale, purchase, storage and processing of processed or non-processed agricultural produce.

2. PUNJAB AGRICULTURAL PRODUCE MARKETS ACT, 1961

The Punjab Agricultural Produce Markets (Amendment) Act' 2017 is an Act to amend the Punjab Agricultural Produce Markets Act, 1961. The Act was amended to allow for private mandis or markets in Punjab.

Furthermore, farmers along with traders can sell and buy in these markets without requiring registration in the APMC of the state.[9]The long title of the statute states that the Act is has been formulated to consolidate and amend the law relating to the regulation of the purchase, sale, storage and processing of agricultural produce and the establishment of markets for agricultural produce in the State of Punjab.[10]

2.1 STATEMENT OF OBJECTS AND REASONS

The Statement of Objects and Reasons accompanying the bill had clearly spelled out the legislature's intent. They are as follows:

1. Regulate first scale transactions,
2. Licence and supervise commission agents
3. Collect market fees and invest them in market infrastructure
4. Provide mechanisms for dispute resolution and disciplined weight, measure and auction processes.

2.2 STRUCTURE OF MARKET COMMITTEES

The market committees are constituted by the State Government for each notified market area under the Act. Each market committee is a body corporate having perpetual succession, common seal, power to acquire, hold, dispose property, enter into contracts, sue and be sued.[11]The day-to-day regulation of Market Committees is autonomous however, Market Committees work under the overall supervision of the Punjab State Agricultural Marketing Board.

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[9]*The Punjab Agricultural Produce Markets Act, 1961* (Punjab Act No. 23 of 1961), Preamble, published in the *Punjab Government Gazette (Extraordinary)*, Legislative Supplement, dated 26 May 1961

[10]The Punjab Agricultural Produce Markets Act, 1961 (Punjab Act No. 23 of 1961), *available at :https://www.indiacode.nic.in/bitstream/123456789/8882/1/pbact1961.pdf* (last visited on 7 September 2025)

[11]*The Punjab Agricultural Produce Markets Act, 1961*, s.12

2.4 COMPOSITION

The market committees consist of both elected and nominated members.[12] The largest segment of the committee comes from the producer's representatives which is usually the 50% or more of the total seats. The cultivators in the designated area typically elect this individual.[13] The committee tends to remain more farmer centric. The representatives of commission agents are another important part of the committee. The commission agents working in the market are elected from among the licensed traders, arhatiyas. They stand for market intermediaries and middlemen.

The members chosen by nomination are usually selected from either the Panchayat or the municipality or the local body that has jurisdiction over the area. Members representing the various departments of the State government may also be nominated by it to supervise the daily functioning of the board. The State government can dissolve a five-year tenure board if it fails to meet the provisions of this Act. This dissolution is called as the of the boar. The Act's section 26 conveys the power to dissolve the board followed by a procedural framework in Rule 50 of the Punjab Agricultural Produce Markets (General) Rules, 1962.[14]

3. ECONOMIC RIGHTS

According to the Punjab Agricultural Produce Act, 1961, the government has to get the price of the agricultural produce from the farmer. Agriculture in India makes a great use of the expected weather. All of the above makes agriculture in the country one of the most climate-dependent and weather-dependent industries in the country. The Act shields the farmers' economic rights under the legal purview and some of the provisions are listed below.

3.1 RIGHT TO FAIR PRICES

Under the article 21 of the Indian Constitution, the right to a fair price is viewed as a component of the right to a livelihood. In *Olga Tellis v. Bombay Municipal Corporation,*[15] the Supreme Court held that "right to live also includes right to livelihood and any deprivation of livelihood should be in consonance with fairness and reasonableness.

[12]*The Punjab Agricultural Produce Markets (General) Rules, 1962*, r 5
[13]Id at 10.
[14]*The Punjab Agricultural Produce Markets Act, 1961*, s.26, *available at* :https://faolex.fao.org/docs/pdf/ind82378.pdf (last visited 8 October 2025).
[15] (1085)3, SCC 545

Likewise, "*in People's Union for Civil Liberties (PUCL) v. Union of India*"[16]the court extended the ambit of Article 21 to include access to food as an integral component of the right to life. The Punjab Agricultural Produce Markets Act, 1961 was enacted to regulate the purchase and sale of agriculture produce in Punjab with the objective of securing equitable returns to cultivators and eliminating exploitation by intermediaries. The fair price refers to the minimum support price which is announced by the CACP every year. While it does not confer a "right to fir prices ", its legislative scheme creates a regulated market framework that guarantees such fairness.

The preamble of the Act declares that it as "*an Act provide for better regulation of the purchase, sale, storage and procession of the agriculture produce*".[17]This statement of purpose is to design a system under which sales and purchases of agricultural produce take place in a fair and transparent manner.

Under Section 3 of the Act declares that the State government is empowered to declare market areas and establish Market committees, which act as the principle regulatory authorities.[18] Their functions include supervising transactions, enforcing market rules, collecting and disseminating price information, and preventing unfair or fraudulent trade practices. [19] The Act further mandates licensing of traders, commission agents and buyers thereby excluding unregulated private intermediaries. [20] This licensing regime not only ensures accountability but also curbs collusive practices that depress the minimum support price. The Act also directs market committees to collect and publish daily market rates, enabling farmers to assess real-time price information and make informed decisions.[21] The Punjab State Agricultural Marketing Board provides centralized oversight and policy uniformity, reinforcing the guarantee of fair trade conditions across all notified markets. [22] Through these interlocking provisions, the Act creates statutory mechanism of price fairness based on regulated competition, transparency and institutional supervision, rather than direct fixation.

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[16]WP © No. 196 of 2001
[17]*The Punjab Agricultural Produce Markets Act, 1961* (Punjab Act No. 23 of 1961), Preamble.
[18]*The Punjab Agricultural Produce Markets Act, 1961*, s. 3.
[19]*Id.*, s. 6.
[20]*Ibid.*, s. 10.
[21]*Ibid.*, s. 23.
[22]*Ibid.*, s. 42

In *Ram Chander v. State of Punjab*[23] the high court of the State of Punjab has observed that the Act was enacted to eliminate malpractices in the which were prevalent marketing of agricultural produce and to protect producers from exploitation. Similar in *Mewa Singh vs State of Punjab*[24], the court upheld the regulatory competence of market committees, emphasizing that the Act's purpose is to "secure equitable returns to cultivator by regulating market transactions."

The Supreme Court, in State of *Punjab vs Devans Modern Breweries Ltd*., [25] recognized that levies and regulatory powers under the Act are aimed at ensuring organized marketing and protecting the interests of agriculture stakeholders. Further in *Kewal Krishna v. State of Punjab* [26] , the High court reiterated the committee's control over sale and purchase of produce serves "to ensure fair play in price determination and equitable benefit to the producer."

3.2 RIGHT TO ACCESS TO REGULATED MANDIS

The Act does not phrase access to mandis as free-standing fundamental right. Instead its set a statutory regime that creates, controls and protects market space- and that regime, read as a whole is how legal access is granted and regulated. The right to access to said regulated mandi can be said to have its genesis in two constitutional provisions. Article 19(1) (g) guarantees the freedom to practice any profession or to carry on any occupation, trade or business. Article 21 guarantees the right to life and liberty. The right to carry on trade or occupation gives an individual the right to earn a livelihood by working in any occupation. However, the State may, by law, impose reasonable restrictions in the public interest. The Punjab Agriculture Produce Markets Act, 1961 is a law regulating the markets and the restrictions on these markets by the Act are prima facie valid so long as they are reasonable, not arbitrary and follow due process. Courts evaluate whether the statute's restrictions are permissible legislative regulation of trade. The supreme court has held that right to life includes the right to livelihood.

[23] AIR 1996 P&H 436.
[24]1986, 90 PLR 1
[25] (2004)11 SCC 26
[26](2005)2 RCR (Civil) 147

According to Section 5 of the Act, the State government has the authority to designate any region as an agricultural market.[27]The government will oversee the trade, acquisition, storage, and processing within a designated region. From the date specified in the no person may be allowed to establish or continue any place for purchase, sale, storage or procession of the notified produce in that area and no person may buy, sell or process such produce there except under a license granted under the Act, rules and bye-laws. Producers selling their own produce through a bonafide non-commission agent and persons purchasing for private use are generally exempted from license requirement. [28] This statutory protection ensure farmers can sell their produce without a formal licence. It also serves as the clearest guarantee that farmers may access regulated market to seel without any burden or restriction. The State can also declare principle and sub-market yards and regulate physical market premises and distance restrictions.[29] This is how the State physically defines where regulated sale must occur. Once a declared, private markets are barred within notified limits thereby channelling regulated transactions into market yards. [30] The committee also issues licenses to brokers, commission agents, weighmen, godown-keepers.[31]

The Act makes it the responsibility of the committee to enforce the Act, issue licenses and regulate market functioning. The Act also establishes who may lawfully transact with in a notified area, where they may transact and under what conditions. But the courts have repeatedly stated that the licences, plots and prior occupation do not automatically create a permanent proprietary right to continue trading in the same place if the State re-plans or de-notifies or re-allocates.[32] The access to the mandis is statutory, regulated privilege rather than a absolute right. But that being said any interference with market access can engage Article 19(1)(g) and article 21. Both these articles allow regulation nut forbid arbitrary or

[27]Section 5 Notification of intention of exercising control over purchase, sale, storage and processing of agricultural produce in specified area:The State Government may, by notification, declare its intention of exercising control over the purchase, sale, storage and processing of such agricultural produce, and in such area as may be specified in the notification. Such notification shall state that any objections or suggestions, which may be received by the State Government within a period of not less than thirty days to be specified in the notification, will be considered.
[28]*Id.*, s. 6(3)
[29]*The Punjab Agricultural Produce Markets Act, 1961*, s. 7.
[30]*Id.*, s. 8.
[31]*Ibid.*, s. 13.
[32]*Chint Ram Ram Chand v. State of Punjab*, Civil Appeal No. 2944 of 1996

disproportionate deprivation of livelihood. The courts have upheld APMC systems while scrutinising the reasonableness and procedural propriety of administrative action. [33]

3.3 RIGHT TO FAIR AND REMUNERATIVE PRICES

The Punjab Agricultural Produce Markets Act, 1961 does not statutorily guarantee a fixed minimum price. The CACP considers all different factors to calculate the price, including the costs incurred by farmers in the production of various crops. Per quintal, this price is termed as minimum support price. The law assists Punjab in regulating the distribution of essential commodities/products efficiently. The State Government can designate essential goods with a list in the schedule attached to the Act to effectively control the price of goods under the Act. Essential Commodities Act, 1955: The State Government can notify important products of the state and the Central Government can notify various essential products under the Essential Commodities Act, 1955. It is further provided in the Act only the regulated and notified market area and the markets established will be the first and the only places that the farmers can see their produces. The Act allows open auctions and public price discovery at the notified yards rather than through private contracts at the farmgate which puts the farmer at a disadvantage. In a transparent market environment sellers tend to get better and more competitive price.

It is the function of the Market Committees to regulate the transactions and maintain records. The purpose of these entities is to reduce the chances of fraudulent behavior and maintain the efficient price. The Act and the 1962 rules fix regulated procedures (weighment and auction records), and empower the committee to make bye-laws ensuring fair trade practices. When implemented properly, they reduce disputes and hidden commissions that deduct from farmers’ receipts. Through licensing of commission agents and providing grounds for withdrawal of their licenses and punitive action for their misconduct, committees can control rent-seeking and cartelisation which lower price.

The fees collected as revenue are going to be invested in sheds, storage, and roads grading facilities. Improved amenities lower transaction expenses and post-harvest wastage, boosting farmers' net profits.

[33] *I.T.C. Ltd. v. Agricultural Produce Market Committee & Ors.*, (2002) 9 SCC 232: AIR 2002 SC 852

This Act does not confer a minimum support price or a statutory right to fair and remunerative price fixed by the central government on the recommendation of the Commission for Agricultural Costs and Price. The State, for the attainment of socio-economic objectives for life and livelihood, has this Act as a measure.

3.4 RIGHT TO REPRESENTATION IN MARKET GOVERNANCE

The Act prescribes a specific composition for Market Committees that includes members from the farming community and other non-official members drawn from licensees, agricultural university representatives. The section describing the committee's composition expressly provides "one producer member of a committee" and other non-official members drawn from licensees and producer interest which means that the farmers have seats at the table by virtue of the statute. [34] This gives farmers or their chosen representatives participatory rights in decision on auctions, market fees, infrastructure, by-laws etc. The reason for this inclusion is that the market committees control licensing, auction rules and display of rates, market infrastructure and use of market funds. These functions form the vary basis of the entire working of the mandi system in the region and it would be incomplete if the farmers are not given representation in the institution which has been given the responsibility to run the mandis.

The Act creates a statutory right in the favour of the farmers of the area to have representation in the Market Committees. The courts treat such representatives as a creature of statute and not as an independent fundamental right which is guaranteed by the Constitution. Regulation of the markets derives its sanctity from the article 10(1)(g) i.e. right to practise any profession or to carry on any occupation.

In *Market Committee, Jalalabad v. State of Punjab* [35]the honourable Supreme Court has made a clear statement that the Market committees though representative bodies operate under an agriculture board that has a wide supervisory role. The producer representation on committees does not render committees immune from state or the board directions.

3.5 RIGHT TO STATUTORY GRIEVANCE REDRESSAL

[34]*The Punjab Agricultural Produce Markets Act, 1961*, s. 12.
[35]*Punjab & Haryana High Court*, C.W.P. No. 668 of 1970

The Act and the rules of 1962 set up a multi-tiered redressal scheme. This includes an internal disputes sub- committee which should be formulated at the initial level to sort out the issue. The committee must consist a panel of arbitrators which also includes producers to settle buyer-seller disputes. [36] This is a fast-internal grievance mechanism for transactional disputes at mandi level. Any concerned party who is not satisfied with the committee decision can file for an appeal against it. The Punjab State Agriculture Board is the first appeal forum under section 40. Any person objection to the order passed by the committee [37] or by the secretary of the Board [38] may appeal to the board. The decision of the board will be final. The order of the board is challengeable by a review of the executive i,e the State government. [39]

Ordinarily no suit can be files against board or committee for the Acts under the Act until a two-month notice is given and available administrative remedies are exhausted or shown to be inadequate.[40] This channel many disputes into the Act's statutory redressal ladder. There is certain financial order like surcharge, write off, recovery etc. have specific appeal provisions. Such an appeal against the surcharge could be given to the State government within one month.[41] The high courts and the supreme courts retain the power to examine whether the committee or board or state government acted without jurisdiction, arbitrarily, malafide or in breach of principles of natural justice.

Where statutory remedy is adequate and efficacious, the courts often require aggrieved persons to use it but wherever such remedies are found to inadequate or fatally defective courts will amidst writs. The High courts jurisprudence on mandi matters shows both approaches. The statute creates administrative grievance channels but their fairness has constitutional implications under article 14 and 19. Courts will always enforce the statutory remedies first but will step in where statutory process is abused, unavailable or confiscatory.

In *Market Committee and another v. State of Punjab and another*[42]the P&H high court has stated that the internal remedy i.e. the right to appeal, review and the review by the State government is statutory right and it is forming the first line of redress before judicial review.

[36]*The Punjab Agricultural Produce Markets (General) Rules, 1961*, r. 13
[37]*The Punjab Agricultural Produce Markets Act, 1961*, s. 13
[38]*Id.*, s. 33(5).
[39]*Ibid.*, s. 40.
[40]*Ibid.*, s. 31.
[41]*Ibid.*, s. 27.
[42] (2005) 140 PLR 446

This statutory right operates as safeguard of procedural fairness within the regulated mandi system, thereby linking indirectly linking to constitutional protections of Article 14 and Article 19(1)(g).

3.6 RIGHT TO MARKET INFORMATION AND TRANSPARENCY

The Punjab Agricultural Produce Markets Act, 1961 establishes a robust framework for ensuring market information and transparency, empowering stakeholders and promoting accountability with within the agricultural marketing system. The Act authorises officers impowered by the Punjab Marketing Board to require dealers to produce accounts and documents related to the stock of agricultural produce. It also grants them the authority to inspect all accounts, registers and documents maintained by the dealers, ensuring transparency in transactions.[43]All seized account ledgers are presumed to be proof of recording. This statutory regulation ensures the creation of verifiable and auditable transactional audit trail to ensures insulation transparency mechanism.

The market committees have been established to regulate the purchase, sale, storage and processing the agricultural produce within the notified market. These committees are responsible for maintaining records and ensuring that the transactions are conducted transparently, providing stakeholders with access to necessary information.[44] The committees are mandatorily required to follow the prescribed procedures again creating institutional transparency and record trails that can be relied upon to check malpractices.

Under the Rules of the Act dealers are required to maintain records of all transactions, including purchases and sale. These records must be made available for inspection by authorised officers, promoting transparency and accountability in market operations. [45] The Act also gives powers to the board and committees an explicit statutory function to carry out market surveys, research and collection, compilation, dissemination and publication of market information and statistics". As envisaged by the Act, there are detailed rules and bye-laws for licensing, weighment, record-keeping, auctioning procedure and other operational matters. These rules are where day to day transparency obligations are fleshed out. The authorities of the Board have also been empowered under the Act to stop the vehicles transporting such consignments and the records to check whether they are moving out of the

[43]*The Punjab Agricultural Produce Markets Act, 1961*, s. 33A.
[44]*Id.*, s. 15.
[45]*The Punjab Agricultural Produce Markets (General) Rules, 1961*, r. 17

notified market area which helps in evasion and tracing the transaction. Besides the provisions of this Act, the Right to Information Act, 2005[46] is the primary and statutory route for access to official market information where the market committee or its Board qualifies as a public authority under the Right to information.

4. CHALLENGES AND GAPS

The Act's main objective and reason for its inception is to ensure that the farmers are given their due. Given that farming is not a particularly secure aspect of Indian farming it is very essential that the farmers are given economic protection in the form of Minimum Support Price. The Act and the institution under drawing its power from this Act are not able to secure the rights of the farmers as they should. Some of basic reasons for this failure has been enumerated below:

4. 1 POLICTICAL CAPTURE OF THE MARKET COMMITTEES

Political capture of the APMC mandis means elected politicians, political appointees or politically- connected actors control the key levers of mandi administration. The politicians are often seen placing or influencing elections to secure a majority sympathetic to certain traders. This skews elections to skews the committee's decisions on licensing, allotments and bye-laws. Mandi officials have at times allocated shops or issued licenses to their friends without the issuance of any transparent notice.

In 2023 it was reported in The Tribune that the mandi officials of Vallah area of Amritsar has been accused of issuing wrong licenses in the mandi of the area.[47] The vegetable sellers alleged that the mandi board were issuing licenses to operate as commission agents inside the mandi to those who do not have shops inside the mandi. The board has been accused of over hundred licenses. It was also alleged that issued against duplicate shop numbers. As a result of this decision the unregistered traders and agents began operating in the adjoining roads.

These actions were viewed as a direct violation of the licensing and regulation mechanism envisaged under the Act, particularly section 6 which empowers market committees to issue

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[46]Act No. 22 of 2005

[47]*Mandi Board officials accused of issuing wrong licences at Vallah in Amritsar*, *The Tribune*, 2 May 2023, *available at* :https://www.tribuneindia.com/news/amritsar/mandi-board-officials-accused-of-issuing-wrong-licences-at-vallah-in-amritsar-504245 (last visited on 12 October 2025).

licenses only to eligible persons for market areas.[48] This also violate the rules of the Act which mandates verification of the trader's bonfires and the premised for which a license is sought.[49] Such instances illustrate the problem of political and administrative capture in market committees , where discretionary licensing powers were exercised without accountability. The consequence is dilution of farmers' statutory rights to fair, transparent and accessible market structure.

4.2 DELAYED REMUNERATIVE PRICING

Delayed remunerative pricing significantly undermines farmers' rights under the Act, particularly the right to fair and remunerative prices. This issue arises when the minimum support price announcements are delayed, procurement processes are inefficient or market committees fail to ensure timely payments. When such delays occur, farmers are forced to sell their produce at much lower prices, often below the MSP. This results in financial losses. The Supreme court in *State of Punjab v. Bhagat Ram*[50]the Supreme Court emphasized on the significance of timely procurement and payment so that farmers receive adequate compensationtheir produce.

Punjab wheat farmers are in financial straits as procurement and payment delays hampered 2024 rabbi season activities.The food corporation and the state agencies were slow on the uptake to begin the procurement and post the procurement to payment.Farmers were affected by the delay in planning the next sowing season.

In October 2025 Punjab's leader of opposition, Partap Singh Bajwa criticized the Aam Aadmi Party led state government for its failure to procure cotton at the minimum support price of Rs. 7710 per quintal. He highlighted that over procured at MSP, forcing farmers to sell to private buyers at distress prices below Rs. 3000 per quintal. Bajwa attricuted thus crisis to the new condition imposed by the Cotton Corporation of India (CCI) including the mandatory registration through Kapas Kisan app. He reported that many of the farmers were unable to register due unavailability of updated girdwari reports. This situation underscores a significant gap in the implementation of farmers rights in the Act.

[48] Punjab Agricultural Produce Markets Act, 1961, ss. 6 & 23
[49] Punjab Agricultural Produce Markets (General) Rules, 1961, Rule 18
[50] 1974 AIR 232

4.3 LACK OF DIGITAL TRANSPARENCY AND SLOW GRIEVANCE RESOLUTION

Digital opacity i.e. no real time published records of weighment, auctions, licence/ allotment lists or payments combined with slow, ineffective grievance mechanisms converts statutory entitlements under the Act into hollow promises- farmers lose bargaining power, face delayed and can not vindicate rights to information, representation, timely payments or fair price discovery. Farmers cannot verify sales when the auction bids and weighment slips at the mandi records are not published or accessible. Verify the correct application of commissions or deductions or find alternative buyers. The realization and intermediaries' opportunistic behaviour increase.

When grievance redressal is delayed, farmers are forced to borrow or sell at a distress price which erodes the Right to Fair and Remunerative prices. If such delay is arbitrary it violates Farmers Livelihoods Protection under Article 21. Political manipulation and favoritism take place when allotment and license lists are not uploaded. Farmers and small traders who are excluded are denied access.

5. CONCLUSION AND SUGGESTIONS

It was first enacted to provide for the security to the cultivator and prevent exploitation through effective regulation of trade practices. However, a review of the case law and institutional practices would show that misadministration, political capture and structural rigidity in the application of law has let down the effort. The judiciary has emphasized the need for transparency, accountability and a fair procedure many times. As there are no proper digital governance and grievance redressal mechanism, there continues the violation of the farmers' rights to a fair price, access to market and payment without delay. According to the report, political meddling in market regulation, lack of licensing clarity, delayed pricing settlement and no digitisation are important problems. Accordingly, in light of the new market realities and standards of e-Governance, the Act must upgrade its infrastructure and is of great significance and relevance. The below suggestions will resolve the shortcoming/weakness of this Act.The Act and the rules should incorporate strict timelines for dispute resolution as well as escrow or automatic payment mechanisms to ensure timely release of proceeds to the farmers. This would also create a right to remunerative prices in order to avoid liquidity stress and distress sale.

1. Seats in the mandi board should be reserved for marginal and small farmers in the legislature. This step will ensure that representation is given to the suppresses sector of the farming community. It also reduces the capture of the boards by people of vested interests.
2. There must be regular independent financial and performance audits. They must publish allotment criteria. The tendering of the contracts must be done online. The Act must contain strict criminal and administrative penalties must be there for any malfeasance. This step will limit the misuse of discretionary powers and restores the trust of farmers.
3. The State must issue notifications for confirming market committees and boards as public authorities for proactive disclosure, develop standard disclosure lists to avoid litigation. This would facilitate timely access to information.
4. The State government should initiate training programmes for farmers, middlemen and committee staff ofeNAMgrading, digital payment and quality standards. It would empower farmers to use new platforms effectively.
5. The State government should define the measurable service level objectives for mandis. This should include average payment time, percentage of sales on e-nam, grievance closure rate. The same should be published monthly. It will create accountability and evidence for policy adjustments.