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Farmers as ‘Consumers’ of Seeds: Need for a Farmer-Centric Legislative Framework in India

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Abstract

Farmers in India who rely on commercially supplied seeds often face significant challenges in seeking redress when those seeds do not perform as expected. Existing legislation, notably the Seeds Act 1966, regulates only notified varieties and provides no direct remedy or compensation for farmers experiencing losses due to poor seed quality, germination issues, or mismatched varieties. Consequently, farmers must resort to consumer forums for relief, despite unresolved questions about their legal standing as consumers, appropriate jurisdiction, and the criteria used to determine seed defectiveness. These complexities, compounded by inconsistent rulings from the National Commission, make the consumer law route cumbersome and uncertain. This analysis underscores the need for a specialised farmer-centric compensation mechanism contained in seed legislation itself. Such a system would ensure clarity, fairness, and timely relief, alleviating the burdens farmers currently bear under the existing legal framework.

Introduction

Seeds are the most important input required for crop production worldwide.¹ In addition, farming practices utilise additional inputs to enhance the potential of seeds.² It is clear that the quality of seeds used by farmers from the formal seed system is crucial. However, farmers’ use of seeds carries a risk of uncertainty.³ Farmers cannot identify defective seeds instantly; they can only do so after sowing and toiling with them. This may result in a loss for farmers. In response to this concern and to regulate the seed industry, governments have implemented seed laws that establish minimum standards for maintaining the physical purity and germination of crops.⁴ The primary objective of seed legislation is to regulate the quality, marketing, and production of seeds.⁵ Each country’s

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¹Food and Agriculture Organization of the United Nations, *Seed Policy and Programmes for the Central and Eastern European Countries, Commonwealth of Independent States and Other Countries in Transition* (FAO 2001) 4.1 <<https://www.fao.org/4/Y2722E/y2722e0e.htm#bm14>> accessed 4 Sep 2024.

²*ibid.*

³Michael Turner and Cristina Leria, *Seeds Toolkit Module 4: Seed Sector Regulatory Framework* (FAO 2018) 5.

⁴*ibid.* See also Food and Agriculture Organization of the United Nations (FAO), *Status of Seed Legislation and Policies in the Asia-Pacific Region* (FAO 2020) 3.

⁵Luis M. Boinbin-Bombin, *Seed Legislation* (FAO 1980) 5; Turner (n 3) 11.

circumstances determine the methods used to achieve these goals.⁶ Seed laws have significantly contributed to the growth of the seed industry in numerous countries, ultimately enhancing farmers' interest in utilising seeds from the established formal seed system.

As part of the Indian government's efforts to improve crop production and to regulate the growing seed industry, seed legislation was also introduced in India.⁷ The current legislation which regulates seed quality is the Seeds Act 1966. The objective of the Seeds Act 1966 is limited to regulating the quality of selected varieties that are notified by the Central Government (Government of India). This limited scope of application means that the quality requirements established under the Act do not regulate varieties that are not notified. Moreover, a significant disadvantage of the Act for end users of the seeds, namely farmers, is the absence of a remedial mechanism in the event of seed performance failure. Another piece of legislation that indirectly concerns farmers utilising seeds is the *Protection of Plant Varieties and Farmers' Rights Act 2001* (PPVFR Act), which grants intellectual property rights to registered plant varieties. The PPVFR Act provides a limited option for compensation to farmers if registered varieties fail to meet the performance expectations promised by the plant breeder.⁸ However, farmers find it difficult to comply with the lengthy procedures enshrined in the PPVFR Act, thereby undermining this provision's effectiveness.⁹

The magnitude of this problem in India underscores the urgent need for a farmer-centric remedial framework. Seeds are the most critical agricultural input, and their failure has often had devastating economic consequences for smallholder farmers. Seed failures have been identified as one of the contributing factors to farmer suicides in India, reflecting the absence of an effective, locally accessible compensation mechanism. Recurrent Bt cotton failures in states such as Maharashtra, Telangana, and Andhra Pradesh illustrate how defective seeds can trigger widespread distress and, in extreme cases, suicides.¹⁰ These challenges are compounded by the fragmented nature of seed governance, divided between central legislation such as the Seeds Act 1966 and under-resourced state agriculture departments, while weak extension services leave farmers without the technical support needed to identify defects or preserve evidence. In this context, reliance on consumer forums as the primary avenue of redress becomes particularly problematic, as it fails to account for the structural vulnerabilities of India's agrarian economy.

In that regard, the paper examines how far the remedy provided under the consumer protection law in India is a feasible option for farmers in cases of defective seeds. Two key considerations underscore the relevance of this inquiry. First, the government's plan to address shortcomings in the Seeds Act of 1966 was evident in the draft Seeds Bill 2019, which included a 'Compensation to Farmers' clause¹¹ directing farmers to consumer forums if seeds fail to perform. However, the Seeds Bill 2025, which supersedes the 2019 draft, conspicuously omits any such provision for compensation, leaving farmers without a dedicated statutory remedy. The second consideration arises from the distinct realities of India's agricultural sector, where 89.4% of farmers are small or marginal, typically cultivating less than two hectares of land,¹² raising questions about the accessibility and practicality of

⁶ *ibid.*

⁷ Venkatesh R Gadwal, 'The Indian Seed Industry: Its History, Current Status and Future' (2003) 84(3) *Current Science* 399.

⁸ *Protection of Plant Varieties and Farmers' Rights Act 2001*, s 39(2).

⁹ Amrithnath Sreedevi Babu, 'Implementing farmers' rights under the plant variety protection law in India: Analysing the complex regulatory framework and its impact' (2024) 28(2) *The Journal of World Intellectual Property* 491, 508.

¹⁰ See generally Guillaume Gruère and Debdata Sengupta, 'Bt Cotton and Farmer Suicides in India: An Evidence-based Assessment' (2011) 47 *Journal of Development Studies* 316.

¹¹ Seeds Bill 2019, cl 21.

¹² A small agricultural household holds between 1-2 hectares of land. A marginal agricultural household holds more than 0.002 but less than 1 hectare of land. National Statistical Office, *Situation Assessment of Agricultural Households and Land and Livestock Holdings of Households in Rural India: NSS 77th Round (January-December 2019)* (Ministry of Statistics and Programme Implementation, Government of India, 2021) 23.

seeking relief through consumer forums. Building on this analysis, the paper then examines potential reforms to India's seed legislation, focusing on the need for a clear, farmer-centric compensation mechanism and identifying the specific legal and procedural changes required to address existing gaps under the current Seeds Act and consumer law framework. Although seed production and distribution in India also occur through government institutions, cooperatives, and state agriculture departments, as well as through public and private seed companies, the discussion here focuses on remedies against seed companies in particular, as these entities are most often involved in consumer disputes.

This study employs a doctrinal research method by closely examining relevant judicial precedents from the National Consumer Disputes Redressal Commission (National Commission) and the Supreme Court of India concerning defective seeds under consumer protection laws. This case-based analysis evaluates the scope and efficacy of existing statutory provisions, as well as the interpretative stances taken by the courts. This article argues that consumer law remedies are inadequate for farmers and that India needs a dedicated, farmer-centric statutory mechanism embedded in seed legislation.

The article is organised into six parts. It first introduces the problem, provides context and articulates the research question. It then presents a concise overview of India's seed laws, emphasising their limitations in addressing farmers' grievances over defective seeds, before examining the compensation mechanisms provided in the PPVFR Act. The next part focuses on consumer laws and explores the legal and practical challenges involved in determining whether seeds are defective. It then synthesises these findings to propose a more effective, farmer-centric framework for resolving seed disputes. The article concludes that reliance on consumer protection remedies for defective seeds remains unclear and inconsistent, signalling the need for a stronger, more coherent legislative approach to protecting farmers.

Overview of Seeds Law in India

Farmers in India have traditionally relied on farm-saved seeds.¹³ However, the famines that occurred during the pre-independence period prompted the first post-independence government to focus on increasing agricultural production.¹⁴ In that regard, several initiatives were undertaken, which included the establishment of research centres and collaborations with institutions in the United States.¹⁵ The formal system of seed supply in India started only in the 1960s (with the introduction of hybrid seeds) and received official recognition with the establishment of the National Seeds Corporation (NSC) in 1963.¹⁶ NSC was established to produce quality (hybrid) seeds, marking the emergence of the seed industry in India.¹⁷

The establishment of a successful seed industry depends on farmers' trust in the seeds they purchase, which makes seed quality assurance a fundamental need.¹⁸ Certification serves as the principal mechanism to guarantee seed quality.¹⁹ However, until the 1960s, there was neither an established

¹³Eliazer Nelson et al, 'The impact of the Green Revolution on indigenous crops of India' (2019) 6(1) *Journal of Ethnic Foods* 8, 9.

¹⁴Planning Commission of India, 'Chapter 11: Food Policy for the Plan' in *1st Five-Year Plan* (Planning Commission, 1951) [2] <<http://164.100.161.239/plans/planrel/fiveyr/index9.html>> accessed 19 Aug 2024.

¹⁵Agreement Between the Government of India and the Government of the United States of America Relating to Technical Cooperation Programme, Ministry of External Affairs, Government of India <<https://mea.gov.in/bilateral-documents.htm?dtl/7218/Agreement+regarding+Technical+Cooperation>> accessed 19 Aug 2024.

¹⁶Harbir Singh et al, 'Indian Seed System Development: Policy and Institutional Options' (2008) 21 *Agricultural Economics Research Review* 20, 21.

¹⁷Gadwal (n 7).

¹⁸Manjit K Misra et al, 'Role of Seed Certification in Quality Assurance' in Malavika Dadlani and Devendra K. Yadava (eds), *Seed Science and Technology: Biology, Production, Quality* (Springer Nature 2023) 267, 268.

¹⁹*ibid* 269.

regulatory system for seed certification in India nor an industry to supply quality seeds. The need to increase crop production and the realisation that this could only be achieved through quality hybrid seeds prompted the government to enact the Seeds Act 1966.²⁰ The Seeds Act 1966 and the Seeds Rules 1968 came into force on 2 September 1968.²¹ The Seeds Act 1966 aims to regulate the quality of certain notified seeds sold for agricultural purposes. Evidently, the scope of the Act is limited because it doesn't regulate production and only applies to a limited number of varieties.

To fulfil its aims, the Act establishes a Central Committee comprised of representatives from the Central Government, State Governments, and the NSC to advise on legislative matters. It also mandates minimum standards of germination and purity, testing in designated seed laboratories, and the creation of state-level seed inspection and certification services. Further, the Act requires seed container labels to reflect quality standards and imposes restrictions on exporting, importing, or moving non-descript seeds across state lines. Subsequent regulations, including the Seeds Rules 1968 and the Seeds (Control) Order 1983, introduced additional quality control measures, reinforcing the framework designed to provide farmers with high-quality seeds.

Limitation of the seeds laws

The Seeds Act 1966 is significantly restricted by its constrained scope, which is limited to 'notified' seed varieties. This suggests that the necessary purity or germination standards do not apply to a significant number of seed varieties, particularly those that have not been officially notified. Dealers are only obligated to self-certify compliance and exhibit this information on a label, even for notified varieties. Although they can obtain formal certification from recognised authorities, the law does not mandate it. In practice, the Central Seed Committee is responsible for notifying seed varieties and establishing minimum standards. Seed inspectors are responsible for the direct enforcement of these standards, which involves conducting enquiries, seizing suspect seed stocks, and sending them for testing.

The Act's most notable limitation is the absence of a compensatory remedy for farmers in the event that seeds fail to meet the specified quality or perform below expectations. Despite the fact that seed inspectors have the ability to seize substandard seeds and initiate prosecutions based on the reports of seed analysts,²² these actions do not address the financial losses that farmers incur. In some instances, the losses smallholder farmers are forced to bear due to crop failures caused by spurious or defective seeds can lead to tragic suicides.²³ Ultimately, farmers who rely on seeds regulated by the Act have been unable to receive direct compensation for their losses due to the absence of a structured enforcement mechanism.

Although not a remedy for the hardships and losses faced, one option available to farmers in the case of quality issues is to file a complaint with the seed inspector under the Seeds Rules 1968. Rule 23(d) grants the seed inspector the authority to investigate a complaint regarding a violation of the Act's provisions or rules. While the farmer can file a complaint, they have no recourse for compensation or other relief. This is because the seed inspector can only initiate legal proceedings against the supplier for breaching the Act's provisions if they determine that the quality of the supplied seeds is the cause of the crop's failure.

²⁰ Parliament of India, Rajya Sabha Debates, 'Seeds Bill', 17 November 1964, 234 (Shahnawaz Khan, Deputy Minister).

²¹ S.O. 4049, Gazette of India, 24th September 1969, Ministry of Food, Agriculture, Community Development and Co-Operation.

²² Seeds Act 1966, s 14.

²³ Dominic Merriott, 'Factors associated with the farmer suicide crisis in India' (2016) 6(4) *Journal of Epidemiology and Global Health* 217, 220.

The Supreme Court in *National Seeds Corporation Ltd v M Madhusudhan Reddy and Ors (Madhusudhan Reddy)*²⁴ has also identified this aspect of the Act. Prosecuting the seller or supplier of the seeds does not address the farmer's grievance in cases of financial loss or crop failure due to the use of defective seeds sold or supplied by the seed company or seed dealer.²⁵ Even if the seller or supplier is found guilty and sentenced to imprisonment, the aggrieved farmer does not get any remedy.²⁶

Plant Variety Protection Law and Farmers' Rights

The PPVFR Act grants intellectual property rights to plant varieties and also establishes 'farmers' rights' in chapter VI of the Act. Section 39(2) mandates that when a breeder sells the seeds of a registered variety to a farmer, they must disclose the material's expected performance under specific conditions, and if it fails, farmers have the right to seek compensation. Following the opportunity provided to the breeder to present opposition and after hearing the parties, the PPVFR Authority is empowered to direct the breeder to provide compensation as determined. An application for the same may be made through Form PV-25 of the First Schedule to the PPVFR Rules 2003. As per the annual reports published by the Authority, there has not been even a single instance where a compensation claim was made, or compensation was granted on the basis of the claim. It suggests that the lengthy procedure established under the Act is not farmer-friendly.²⁷ This is also due to a lack of awareness among Indian farmers about compensation provisions and, more importantly, the plant variety protection law.²⁸ Further, the said remedy is limited to registered varieties under the PPVFR Act.

Consequently, farmers have only one option for remedy, and that is to approach the consumer forums under the Consumer Protection Act 2019. The Seeds Act 1966 does not establish this remedy; rather, it arises from the broader scope of consumer law. However, for farmers who are predominantly illiterate, proving the defective quality of a seed in a consumer forum can be not only challenging but also a cumbersome process. This is illustrated by the discussions on the Seeds Bill 2019, introduced by the Indian government to replace the Seeds Act 1966, which proposed that a farmer may claim compensation under consumer laws if the seed fails to deliver the expected performance.²⁹ Notably, the Seeds Bill 2025, which supersedes the 2019 draft, has completely omitted this compensation provision, further undermining farmers' access to a remedy. The Standing Committee on Agriculture of the Parliament of India reiterated that recourse to consumer forum is challenging for farmers when it considered the Seeds Bill 2004, which included the same provision. The Standing Committee also noticed that most farmers do not know how genetically pure the seed is.³⁰ As a consequence, farmers often cannot pursue compensation under the Consumer Protection Act 1986, if the crop fails due to genetic impurity.³¹ In such a situation, one must question the actual benefits the complaint mechanism offers to farmers. It would be worthwhile to investigate selected consumer cases in India that have addressed the issue of claiming compensation for seed performance failures under consumer laws.

²⁴ AIR 2012 SC 1160, (2012) 2 SCC 506 (*Madhusudhan Reddy*).

²⁵ *ibid* [28].

²⁶ *ibid*.

²⁷ Amrithnath Sreedevi Babu (n 9).

²⁸ Venkatesh P et al, 'How do the stakeholders perceive plant variety protection in Indian seed sector?' (2016) 110(12) *Current Science* 2239, 2243. The survey conducted as part of the study indicates that about 90% of farmers were not aware of the plant variety protection law in India.

²⁹ Seeds Bill 2019, cl 21.

³⁰ Lok Sabha, Standing Committee on Agriculture (2006-07), *The Seeds Bill 2004* (Lok Sabha Secretariat, 2006) 30, 31; The Consumer Protection Act 1986 was replaced by the Consumer Protection Act 2019.

³¹ *ibid*.

Consumer Laws in India

The expansion of international trade and commerce, along with the booming business environment in India, led to a range of consumer goods and services becoming available to the Indian public.³² This increased availability of goods and services was, in some cases, misused by traders to the detriment of consumers. The existing laws were also not equipped to deal with these situations. This led to the enactment of the Consumer Protection Act 1986, which established consumer forums as quasi-judicial bodies at various levels, ranging from District Forums over the State Commission to the National Commission. The 1986 Act recognised various rights including the right to be informed about the quality, quantity, potency, purity, standard and price of goods to protect the consumer against unfair trade practices; the right to be heard and to be assured that consumer interests will receive due consideration at appropriate forums; and the right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers.

The 1986 Act was replaced with the Consumer Protection Act 2019, which entered into force in July 2020. The emergence of e-commerce and the changing landscape of shopping left consumers vulnerable to new forms of unfair trade and unethical business practices.³³ To address these emerging vulnerabilities of the consumer, the 2019 Act was introduced.³⁴ The scope of the new Act was expanded to include e-commerce transactions, and the scope of the term ‘consumer’ was also widened to include ‘e-commerce consumer’. According to the Act, a complaint can be made by a consumer, a registered consumer association, or the central government. The complaint can concern unfair contracts or unfair trade practices,³⁵ and requires that the goods bought suffer from one or more defects.³⁶

The term ‘good’ encompasses all forms of movable property.³⁷ ‘Defect’ refers to any flaw, imperfection, or deficiency in the quality, quantity, potency, purity, or standard that is mandated by current laws or contractual agreements, whether explicit or implicit, or as asserted by the trader in any manner in relation to goods or products.³⁸ As per the 2019 Act and the 1986 Act, a ‘consumer’ is defined as a person who buys any goods or avails any service, but does not include a person who obtains such goods for resale or for any commercial purpose.³⁹ It is clarified that a person’s use of goods purchased and used solely for self-employment does not constitute a commercial purpose.⁴⁰

The procedure for filing a complaint and the factors considered in determining a dispute remain the same under the repealed Act and the new one. Since the new Act has only been in place for five years, there have been no cases to date involving compensation for defective seeds under the 2019 Act. Therefore, this paper will consider cases under the 1986 Act where a limited number of cases concerned compensation for farmers as consumers of seeds. This paper divides the discussion of cases into various issues based on the analysis of cases decided by the Supreme Court of India and the National Consumer Disputes Redressal Commission (National Commission). These issues

³²Statement of Object and Reasons, The Consumer Protection Act 1986.

³³Statement of Object and Reasons, The Consumer Protection Act 2019.

³⁴*ibid.*

³⁵Consumer Protection Act, 2019 (CP Act 2019), s 2(47): ‘unfair trade practice’ means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely: - (i) making any statement, whether orally or in writing or by visible representation including by means of electronic record, which - (a) falsely represents that the goods are of a particular standard, quality, quantity, grade, composition, style or model; (g) gives to the public any warranty or guarantee of the performance, efficacy or length of life of a product or of any goods that is not based on an adequate or proper test thereof.

³⁶CP Act 2019, s 2(6).

³⁷CP Act 2019, s 2(21).

³⁸CP Act 2019, s 2(10).

³⁹CP Act 2019, s 2(7); Consumer Protection Act, 1986 s 2(d) (CP Act); *Smt. Pushpa Meena v Shah Enterprises (Rajasthan) Ltd.* (1991) 1 CPR 229.

⁴⁰*ibid.*

are (i) jurisdiction of consumer forums, (ii) defective seeds and their criteria, and lastly (iii) lack of uniformity in the determination of defectiveness. Each of these issues will be discussed in the following sections.

Jurisdiction

The jurisdiction of the consumer forum is an issue frequently raised by seed companies in response to the claims made by farmers. Three challenges have been raised by the companies in relation to the consumer forum's jurisdiction to address compensation claims submitted by farmers. The initial challenge pertains to the existence of an alternative remedy; the second, the existence of an arbitration clause; and the third questions whether a farmer can be classified as a consumer.

Alternate remedy. Seed companies have challenged the consumer forum's authority to hear disputes regarding seed quality in nearly every complaint seeking compensation for poor seed performance. They contend that the Consumer Protection Act 1986 is superseded by the Seeds Act 1966, which regulates seed quality. However, as previously mentioned, the Seeds Act does not provide any compensation to farmers. Rather, farmers are limited to filing a complaint with the seed inspector, who may subsequently impose penalties on seed producers if the seeds do not satisfy the specified quality standards, but the seed inspector has no power to provide compensation to the affected farmers.

However, the Consumer Protection Act 2019 (CP Act 2019) itself has recognised that consumer laws are, in addition to the existing remedies, available to consumers, making it unclear how such an argument could be relevant to the court's consideration. Section 100 of the CP Act 2019 states that the provisions of this Act shall apply in addition to and not in derogation of the provisions of any other law currently in force.⁴¹ This was also emphasised by the Supreme Court of India in *Kishore Lal v Chairman, Employees' State Insurance Corporation*.⁴² The court held that the jurisdiction of the consumer forum should not be curtailed unless there is an express provision prohibiting the consumer forum from taking up a matter that otherwise falls within the jurisdiction of a civil court or any other forum as established under some enactment.⁴³

Nothing in the Seeds Act precludes the jurisdiction of the consumer forum. Further, if two forums have jurisdiction to entertain a dispute regarding the same subject, the jurisdiction of the consumer forum would not be barred, and the consumer forum's power to adjudicate the dispute could not be negated.⁴⁴ Therefore, even if the Seeds Act provides farmers with an inherent remedial mechanism that includes compensation, the consumer forum's jurisdiction remains unassailable if the farmer chooses to file a complaint there first.

The Seeds Act only applies to select varieties notified by the central government, and therefore, numerous varieties in the market fall outside its purview. Consequently, the argument that the consumer forum doesn't have jurisdiction is invalid, because to raise any complaint regarding other defective varieties, a farmer will have to invariably approach the consumer forum.

Arbitration clause. In certain cases, farmers purchase seeds under agreements that include arbitration clauses. Respondent seed companies in several of these cases have argued that, when an arbitration clause is available in an agreement, farmers can seek relief only through arbitration and not under the CP Act 2019. In cases where compensation is claimed for defective seeds, the respondents challenge the jurisdiction of the consumer forum by relying on section 8 of the Arbitration and Conciliation Act 1996, which provides for reference for arbitration.⁴⁵ The application of section 100

⁴¹Section 3 of the 1986 Act also contained the same provision.

⁴²MANU/SC/2148/2007: (2007) 4 SCC 579.

⁴³ibid [17].

⁴⁴ibid.

⁴⁵Arbitration and Conciliation Act 1996, s 8 ("A judicial authority, before which an action is brought in a matter which is the subject of an arbitration agreement shall, if a party so applies not later than when submitting his first statement on the

of the CP Act 2019 is relevant here as well, since the provision makes it clear that consumer laws are in addition to the existing remedies available under other statutes.

In *Skypay Couriers Limited v Tata Chemicals Limited*,⁴⁶ (decided under CP Act 1986, equally applicable to CP Act 2019 as the provision is *pari materia*) the Supreme Court clarified that an arbitration clause in an agreement does not prevent the CP Act's redressal agency from hearing a customer's complaint about a service deficiency.⁴⁷ This is because the CP Act's remedy applies in addition to any other law that is in effect at the time.⁴⁸ The Supreme Court reiterated the same observation in multiple cases.⁴⁹

In 2016, an amendment to Section 8 of the Arbitration and Conciliation Act 1996, which broadened its scope, undermined the established view on the availability of remedies under consumer statutes. The previous decisions of the Supreme Court, referred to above, were challenged in the light of this amendment in the case of *Emaar MGF Land Ltd v Aftab Singh*.⁵⁰ The court held that an arbitration clause in the agreement does not bar the consumer forum's jurisdiction to entertain the complaint.⁵¹ The same view was subsequently reiterated in *M Hemalatha Devi and Ors v B Udayasri*.⁵² These cases have unequivocally demonstrated that an arbitration clause cannot limit farmers' ability to maintain their remedies under the consumer laws.

Farmer as a consumer and 'commercial purpose'. The aforementioned discussions have highlighted that consumer protection laws supplement any other remedies available to farmers. However, having a remedy is one thing, but accessing it is another. The process to get compensation is not smooth for farmers, as there are further hurdles to overcome. One of the most frequently raised challenges by seed companies is that farmers do not constitute 'consumers' within the meaning of the CP Act 2019. The term 'consumer' is defined as any person who buys any goods for consideration, but does not include a person who buys such goods for resale or for any commercial purpose.⁵³ Therefore, the seed company's argument relies on the notion that farmers buy seeds for cultivation and subsequently sell them in the market, thereby establishing a commercial purpose.

The Explanation to section 2(7) of the CP Act 2019, which forms part of the definition of 'consumer', clarifies that the expression 'commercial purpose' does not include use by a consumer of goods bought and used by him for the purpose of earning his livelihood by means of self-employment. Given the explanation for commercial purposes, a farmer can be considered a consumer, as they buy seeds to sow and grow crops, applying their skills to make a livelihood from it. Therefore, the CP Act's remedy cannot be denied by classifying what farmers do for a livelihood as a commercial purpose. Any large-scale farming that involves commercial agreements and profit-making can be considered a commercial purpose, but farming by smallholder farmers for their livelihood is not.

substance of the dispute, refer the parties to arbitration."'). It has been recognised in several decisions under the Arbitration Act 1940 that consumer fora fall within the scope of a 'judicial authority'. However, in cases under the Arbitration and Conciliation Act 1996, the Supreme Court has generally upheld the availability of consumer remedies notwithstanding the presence of an arbitration clause, without expressly engaging with the question of whether consumer fora constitute 'judicial authorities' for the purposes of section 8. Importantly, while arguments to this effect have been raised by counsel in some cases, the Court has not expressly rejected this position; rather, it has resolved the issue on the basis that consumer remedies remain available in addition to arbitration.

⁴⁶MANU/SC/0845/2000: (2000) 5 SCC 294.

⁴⁷ibid [2].

⁴⁸Ibid.

⁴⁹*Fair Air Engineers (P) Ltd v NK Modi* MANU/SC/0141/1997; *Trans Mediterranean Airways v Universal Exports and Anr* (2011) 10 SCC 316; *National Seeds Corporation Ltd v M Madhusudhan Reddy and Ors*: MANU/SC/0038/2012.

⁵⁰(2019) 12 SCC 751.

⁵¹ibid [30].

⁵²MANU/SC/1422/2023.

⁵³CP Act (n 39).

The above-discussed aspect was also considered by the Supreme Court in *Madhusudhan Reddy*.⁵⁴ The appellant, National Seeds Corporation (NSC), had chosen a set of farmers in the area to grow seeds on its behalf. After entering into agreements, the appellant supplied foundation seeds to the selected farmers for a price, with the assurance that within a few months, they would be able to earn a profit. The appellant delegated an expert to supervise the seed sowing and agreed to purchase the entire crop. There was no freedom for the farmers to sell the seeds in the open market to anyone other than the appellant. The court observed that it is impossible to argue that the growers purchased the seeds for resale or any commercial purpose and that they do fall under the definition of a 'consumer'. Based on the evidence presented, the farmers had agreed to produce seeds on behalf of the appellant in order to earn their livelihood by using their skills and labour.⁵⁵

As a result, farmers cannot be excluded from being considered consumers merely because they are planting seeds for their livelihood. The *Madhusudhan Reddy* case clarified that contract farming, even with agreed-upon terms, cannot be classified as a commercial purpose, as farmers are purchasing seeds to grow crops and earn their livelihood. The next hurdle for the farmer is proving that the seeds they purchased were defective.

The criteria for defective seeds

The procedure to be undertaken by the consumer forum in a complaint which deals with defective seeds is provided under section 38(2)(c) of the CP Act 2019. The same procedure was prescribed under section 13(1)(c) of the CP Act 1986 as well. It states that if a complaint alleges a defect in goods that cannot be determined without proper analysis or testing, the District Forum must obtain a sample from the complainant, seal it, authenticate it, and refer the sample to a laboratory for analysis or testing. Within 45 days of receiving the reference, or within an extended period as permitted by the District Forum, the laboratory must report its findings. Seed companies often argue that proper analysis is necessary to identify defects in seed quality. The complainant bears the burden of proving any deficiencies on the part of the seed company. However, the opposing parties frequently use the farmers' inability to provide the samples for the analysis as grounds to reject the claim for damages. Farmers typically do not anticipate legal repercussions for planting seeds, and as a result, they do not save some seeds specifically for use as a sample.⁵⁶ Farmers are accustomed to cultivating all the seeds from a specific lot, particularly when they have bought them.⁵⁷

There are cases in which farmers purchased seeds and, due to crop failure or germination issues, approached the consumer forum to seek compensation. However, the following analysis will primarily focus on cases resolved under the 1986 Act, as neither the National Commission nor the Supreme Court has yet rendered any decisions under the CP Act 2019. Since the provisions of the CP Act 1986 and the CP Act 2019 are the same, the analysis of cases under the 1986 Act will be relevant to the 2019 Act as well.

One of the prominent cases involving these pertinent issues is the *Madhusudhan Reddy* case, in which the Supreme Court granted compensation to farmers, observing that section 13 was satisfied.⁵⁸ The case is significant because it examined a series of appeals challenging the National Commission's decisions, drawing on a variety of expert reports. In the first civil appeal, the farmers bought seeds from NSC and cultivated them in accordance with the specified instructions.⁵⁹ However, only 60% of the seeds germinated, and the plant height was uneven. Germination in the remaining 40% of

⁵⁴ *Madhusudhan Reddy* (n 24).

⁵⁵ *ibid* [33].

⁵⁶ *ibid* [35].

⁵⁷ *ibid*.

⁵⁸ *ibid*.

⁵⁹ *ibid* [5.1].

the plants was also slow. The farmer reported this to the NSC area manager, who, upon inspection, allegedly agreed that germination and growth were lower but did not provide any assurance of compensation. At the District Forum, the appellant NSC challenged the farmers' complaint, which appointed a retired agricultural official as a commissioner to inspect the field and submit a report.⁶⁰ The State Commission and National Commission affirmed the District Forum's compensation, based on the report confirming the seeds' defects.⁶¹

In the second civil appeal, as part of the *Madhusudhan Reddy* case, the appellant NSC engaged the respondent farmers to grow bitter gourd seeds under the guidance of a supervisor.⁶² Despite the supervision, the appellant officials rejected the seeds, claiming they were unfit. The respondents approached the horticulture officer, who, after inspection, concluded in his report that the seeds were defective. The District Forum accepted this report as an expert report during the consumer complaint proceedings, and the State Commission and National Commission later confirmed it.⁶³

In the third civil appeal, the respondent farmer purchased tomato seeds from NSC.⁶⁴ Due to the lack of yield, he approached the appellant NSC's manager and requested a field inspection to assess the damage. However, the appellants did not respond, prompting the farmer to file a consumer complaint. The District Forum appointed an advocate (lawyer) as a commissioner to inspect the field.⁶⁵ The advocate worked with an associate professor at an agricultural college. Following a joint inspection, the advocate commissioner submitted a report to the District Forum, indicating that the yield loss was due to defective seeds. The District Forum granted compensation based on the report, and both the State Commission and the National Commission affirmed this decision.⁶⁶

It is also worthwhile to look at three cases decided by the National Commission. In *NSC Ltd v Guruswamy and anr*,⁶⁷ the respondent farmer purchased watermelon seed of 'Arkajyothi' and sowed it in the presence of an agriculture officer. However, since the crop yield was not satisfactory, the farmer approached the local agricultural authorities, who informed him that the crop output was of the 'Sugar Baby' variety of watermelon and not of 'Arkajyothi'. This was reported to the appellant NSC; however, no response was received. The District Forum granted compensation in response to the consumer complaint, and State Commission and National Commission affirmed this decision.⁶⁸

In *EID Parry (I) Ltd v Gourishankar and Anr (EID Parry (I) Ltd)*,⁶⁹ The respondent farmer purchased sunflower seeds from the appellant company and planted them.⁷⁰ However, because the yield was less than the promised one, he approached the consumer forum, which granted him compensation. Interestingly, no expert opinion was referred to in this case, and the decision was affirmed by both State Commission and National Commission. The National Commission observed that since the petitioner company is engaged in the business of sunflower seed on a large scale, it must have had the seed of the lot that was sold to the farmer, and that the petitioner could have sent the sample for testing to the laboratory to prove that the seed sold was not substandard or defective, which it failed to do.⁷¹ Another case was *India Seed House v Ramjilal Sharma and Anr*,⁷² wherein the respondent farmer informed the seed dealer that the carrot seeds he had purchased were not growing as expected. After the seed dealer failed to respond, the farmer approached the Deputy Director (Agriculture),

⁶⁰ibid [5.4].

⁶¹ibid [5.9].

⁶²ibid [6.1].

⁶³ibid [6.6].

⁶⁴ibid [7.1].

⁶⁵ibid [7.3].

⁶⁶ibid [7.4].

⁶⁷MANU/CF/0042/2001.

⁶⁸ibid [5].

⁶⁹MANU/CF/0331/2006 (*EID Parry*).

⁷⁰ibid [2].

⁷¹ibid [3].

⁷²MANU/CF/0100/2008.

Jaipur District, who directed the Assistant Director (Extension) to inspect the field and prepare an inspection report that confirmed that the carrots had not formed.⁷³ The District Forum considered the report and decided to grant compensation on a consumer complaint, a decision later confirmed by both State Commission and National Commission.⁷⁴

These cases reveal three distinct patterns. First, farmers follow a pattern that begins with the seed purchase and then ends with the consumer complaint. They typically purchase seeds and sow them according to the instructions given on the label or provided by the seed producer. If, after the prescribed or reasonable time, there is no germination or growth that meets the expected performance, farmers typically approach the nearby government agricultural office, whether it's a *panchayat*⁷⁵ or a *taluk*.⁷⁶ In the state of Maharashtra, taluks and local self-governments have established seed dispute redressal committees to address these issues specifically.⁷⁷ The committee or an official deputed from the concerned offices will then conduct an inspection and decide whether the failure to perform is due to defective seeds or any other reason. Farmers are not legally required to follow this procedure under any law. However, smallholder farmers in India typically undertake this procedure when they experience performance failures. They approach the consumer forum when they are unable to receive a remedy from the aforementioned officials. This is a pattern evident in multiple cases dealing with this issue.⁷⁸

Second, when addressing these issues, consumer forums follow a specific procedure and, in the majority of cases, rely solely on expert opinions to make a decision. There are numerous versions of expert opinion that consumer forums consider, as evidenced by their procedures in multiple cases. The first version involves the forum itself appointing an expert to assist in determining whether the seeds are defective. In the second version, the farmer realises that the seeds are defective and approaches the horticulture or agriculture officer before submitting a consumer complaint. Consumer forums have recognised these reports as expert reports, allowing them to make decisions on the matter. The third version is the appointment of a lawyer as a commissioner to investigate the matter, who may consult experts to prepare a final report. In the fourth type, the decision is made based on the seed company's failure to provide a sample of seeds from the same batch sold to the farmers for testing, rather than relying on expert opinions.

Finally, consumer forums deem it sufficient when agricultural officials identify that the provided seed does not match the farmer's desired variety, but instead was provided a different variety. Collectively, these practices illustrate that consumer forums do not adhere to a uniform standard when employing expert opinions to identify defects in seed quality, leading to ambiguity in the determination of the complaint procedure.

Lack of uniformity in determination of defectiveness

Despite farmers' entitlement to compensation in the previously discussed cases, the varied interpretations of the forums regarding the complaint procedure lack clarity and uniformity. This lack of clarity and uniformity can create uncertainty about the outcomes of cases decided by consumer forums. One relevant case is *Consumer Protection and Guidance Society v National Seeds*

⁷³ibid [3].

⁷⁴ibid [7].

⁷⁵*Panchayats* are local self-governments constituted in every village in India under Article 243B of the Constitution of India.

⁷⁶A *taluk* is a sub-division of a district consisting of several villages for revenue purposes.

⁷⁷*District Manager, Maharashtra State Seeds Corporation Ltd. and Ors v Abhimanu Bhaurao Mane and Ors* MANU/CF/0470/2018.

⁷⁸*HN Shankara Shastry v The Asst Director of Agriculture, Karnataka* MANU/SC/0477/2004; *Haryana Seeds Development Corpn. Ltd v Sadhu and Ors* MANU/SC/0123/2005; *District Manager, Maharashtra State Seeds Corporation Ltd. and Ors v Vijay and Ors* MANU/CF/0472/2018.

Corporation.⁷⁹ In this case, the agricultural officer supplied the farmers with seeds from the NSC. The farmers complained that only one-fourth of the seeds germinated, and the others did not germinate due to poor seed quality. The Consumer Protection and Guidance Society, a consumer organisation, filed a complaint on behalf of the farmers, prompting the District Forum to order the respondent to cover the seed purchase price, transportation costs, field re-preparation costs, minor compensation, and legal costs. However, the State Commission reversed the decision on appeal by the NSC, and the National Commission upheld the State Commission's decision.

The State Commission's and National Commission's justifications for rejecting compensation in this case highlight the challenges farmers face in obtaining assistance from a quasi-judicial body such as the consumer forum, which is not bound by stringent legal protocols. The first is that the evidence adduced by the president of the consumer organisation was not admissible.⁸⁰ The second reason cited was improper seed storage, indicating a failure to follow the seed producer's instructions. Therefore, the seeds' non-viability was due to mishandling and substandard storage.⁸¹ The third reason was that the agricultural officer from whom the seeds were purchased was not made a party, and thus it was unclear whether the seeds supplied were the same as those given by NSC to the concerned officer.⁸² In this case, the National Commission suggested that the farmers, bearing the burden of proof, should have tested the seeds from a 'Seed Testing Laboratory' or obtained an 'Expert Opinion' from an agricultural scientist or a qualified agricultural officer.⁸³

It is worth noting that the farmers did not approach the agricultural office or any other government bodies when germination failed. It may be because the seeds were supplied by the agricultural officers themselves. The *Consumer Protection and Guidance Society* case reiterated that the complainant farmer was responsible for providing sufficient evidence of the seeds' defects. However, two weeks later, the National Commission decided *EID Parry (I) Ltd*, in which it awarded compensation to the farmer despite the farmer not having provided seed samples. The National Commission justified the latter decision by stating that the seed company could have tested the seeds from its samples if it had challenged the contention that they were not defective.⁸⁴ Additionally, in the *Consumer Protection and Guidance Society* case, none of the forums referred the case to an expert or an advocate commissioner, who could have been appointed to investigate the facts, conduct an inspection, and then submit a report to the consumer forums. This is an example of a lack of uniformity in the application of law by the consumer forums.

Meanwhile, in *Banta Ram v Jai Bharat Beej Company and Ors (Banta Ram)*,⁸⁵ the petitioner farmer purchased paddy seeds and sowed them after following all the required instructions. However, germination did not occur as promised by the seed company. The petitioner approached the Deputy Director of the Agriculture Department, who assigned a team to inspect the petitioner's fields. Their findings indicated that the seeds were of very poor quality and that only 30-35% of the seeds had germinated. However, the consumer forum rejected this report as an expert report, noting that the respondents had not received any notice of inspection. The farmer contended that he had no sample left for testing and that the respondent seed company could send the seed from the sample they had, but the respondent seed company did not follow through. Despite this contention, the consumer forum noted that the petitioner-farmer did not have the sample tested in a laboratory. State Commission and National Commission confirmed the decision.

It should be noted that in the *Banta Ram* case, one of the reasons for rejecting the expert report was the absence of a notice of inspection served on the opposite party. The same contention was raised by

⁷⁹ MANU/CF/0482/2006; IV (2007) CPJ 192 (NC) (CPGS).

⁸⁰ *ibid* [5].

⁸¹ *ibid* [4], [8].

⁸² *ibid* [8].

⁸³ *ibid* [6].

⁸⁴ *EID Parry* (n 69) [3].

⁸⁵ MANU/CF/0317/2013.

the seed company in *Nirankari Agri Seeds v Gurdev Singh and Ors*,⁸⁶ where the agricultural officer did not provide the seed company with a notice for the inspection. However, the National Commission dismissed this contention and awarded compensation. The National Commission observed that the agriculture officers are departmental officers who serve as subject-matter specialists in their fields within the State Agricultural Development Administration, and their reports cannot be dismissed as unauthentic or ignored unless they contradict another compelling technical report.⁸⁷

It was also stated that, while the principle of natural justice mandates the manufacturer/petitioner's participation in the inspection, one cannot dismiss an independent, clear technical report from a subject-matter specialist solely because the petitioner was not involved.⁸⁸ The case of *Shakti Vardhak Hybrid Seeds Pvt Ltd v Bharpoor Singh and Ors* reflected the same perspective on inspection.⁸⁹ In this case, the National Commission accepted an agriculture officer's expert report to grant compensation. The seed company contested the expert report's acceptance, alleging a breach of natural justice principles by failing to provide an inspection notice. These cases demonstrate a lack of uniformity in the application of the law regarding expert reports and the notice of inspection required to be given to the other party.

The second reason given by National Commission in the *Banta Ram* case was that the farmer did not get the seed sample tested in a laboratory. In this context, it is crucial to examine the National Commission's 2008 decision in *India Seed House v Ramjilal Sharma and Anr*,⁹⁰ which granted compensation despite the complainant's inability to obtain a laboratory test for the seed. In this case, it was observed that not every seed buyer is expected to set aside a certain quantity of seeds for testing, based on the assumption that the seeds may be defective and that they will need to prove this through laboratory testing.⁹¹

The Supreme Court endorsed the same view in the *Madhusudhan Reddy* case, holding that ordinarily, no one would advise a farmer to retain a sample of the seeds after purchasing them for sowing, so that in the event of crop loss or reduced yield due to seed defects, he could claim compensation from the seller/supplier.⁹² The court added that normally, a farmer uses the entire quantity of seeds he purchases for sowing, and by the time he realises the crop failed due to defective seeds, he has nothing left to test in a laboratory.⁹³ As a result, the court concluded that it is naive to blame the District Forum for not calling upon the respondent farmers to provide seed samples for analysis or testing in the laboratory.⁹⁴ Therefore, it is evident that National Commission, in the *Banta Ram* case, failed to adhere to its own precedents or even those of the Supreme Court, perpetuating uncertainty regarding these cases.

In yet another case, *Mahyco Seeds Ltd v Sharad Motirao Kankale and Ors*, the respondent farmer purchased cotton seeds from the petitioner company. However, despite following standard agricultural practices, the yield was very poor.⁹⁵ The farmer contacted the seed company but did not receive a response, so he approached the District Forum with a consumer complaint. The petitioner company contended that no field inspection was conducted. The District Forum granted partial compensation. The State Commission upheld the compensation order after finding no evidence that the seeds were defective.⁹⁶ The petitioner sought revision from the National Commission, which ruled that

⁸⁶MANU/CF/0695/2019.

⁸⁷ibid [9].

⁸⁸ibid.

⁸⁹MANU/CF/0473/2021.

⁹⁰MANU/CF/0100/2008.

⁹¹ibid [6].

⁹²*Madhusudhan Reddy* (n 24) [35].

⁹³ibid.

⁹⁴Ibid.

⁹⁵ibid [1].

⁹⁶ibid [4].

the farmer could not demonstrate a defect in the seeds.⁹⁷ Interestingly, the National Commission also relied on the seed company representative's inspection, concluding that bollworm infestation heavily contributed to the crops' failure.⁹⁸ It is peculiar that the National Commission relied on a private seed company's report, prepared by one of the parties, to make its decision. The consumer forum did not consider the degree of bias inherent in accepting one of the parties' expert reports. Such an action by the consumer forum raises questions about procedural fairness and rule against bias. The Supreme Court did not review such a decision because the farmer was unable to appeal. It is extremely uncommon for a farmer to file an appeal with the National Commission itself. Most of the cases that reach the National Commission are appeals filed by seed companies against the decisions of the lower forums. The National Commission should have relied on an independent expert report to reach a conclusion in this case.

Further, in *Shamsher Singh v Bagri Beej Bhandar and Seven Seas Hybrid Seeds Pvt Ltd*,⁹⁹ the appellant farmer purchased certified paddy seeds of the 'Pepsi Seven Seas' variety and 'P-1121 Diamond Variety'. Since the crop's growth was unsatisfactory, he approached the seed company, but it never responded. The farmer approached the agricultural officer, who conducted a spot survey and inspection of the standing crop and found that the purchased seed packing contained a mixture of other poor-quality seeds. The inspection report revealed a mixture of 25%–30% substandard varieties in Pepsi Seven Seas and about 60% poor-quality seeds in the P-1121 Diamond variety. The District Forum granted compensation on the basis of the consumer complaint, but the State Commission set it aside on appeal. The farmer appealed to the National Commission, which upheld the State Commission's decision. According to the National Commission, the complainant did not get the seeds tested by a lab as required by Section 13(1)(c) of the CP Act 1986. Furthermore, the National Commission asserted that despite the Deputy Director (Agriculture)'s report indicating the presence of other low-quality paddy plants in the mix, no lab report could corroborate this claim.¹⁰⁰ Additionally, it was noted that the complainant's account cannot be considered true based on a single officer's report from the Agricultural Department.¹⁰¹

The National Commission's failure to rely on the agricultural officer's report is once again strange, as the National Commission itself and the Supreme Court in *Madhusudhan Reddy* have relied on such reports to award compensation to farmers in multiple cases, as previously mentioned. In the *Madhusudhan Reddy* case, the Supreme Court clarified seed companies' responsibilities under the Seeds Rules 1968, a principle that should guide all cases involving defective seeds. Every person selling seeds is required by rule 13(3) to maintain a record of each lot sold for a period of three years. The sample of seeds included in this record must be comparable in size and, if necessary, undergo testing to ascertain their purity. Drawing on these rules, the Supreme Court noted that the appellants, as major seed suppliers to farmers, should keep samples of the varieties they sell or supply.¹⁰² This would enable District Forums to access those samples and submit them for laboratory testing. The Court further observed that the seed company entirely failed to assist the District Forum by withholding samples of the varieties sold to farmers,¹⁰³ which supports the farmers' claim that the seeds supplied were defective.¹⁰⁴

Yet another case is *Haryana Seeds Development Corpn Ltd v Sadhu and Ors*,¹⁰⁵ which is one of the very few cases in which a farmer appealed the National Commission's decision to the Supreme Court.

⁹⁷ *ibid* [6].

⁹⁸ *ibid*.

⁹⁹ MANU/CF/0605/2013.

¹⁰⁰ *ibid* [3].

¹⁰¹ *ibid* [5].

¹⁰² *Madhusudhan Reddy* (n 24) [36].

¹⁰³ *ibid*.

¹⁰⁴ *ibid*.

¹⁰⁵ MANU/SC/0123/2005; (2005) 3 SCC 198.

In this case, the respondent farmer purchased wheat seeds, which were sown, and it was noticed that the germination was very poor. He approached the agricultural department, whereupon officials issued a certificate stating that the seeds' germination was poor and that the seeds were of substandard quality. Accepting the report of the agricultural officer, the District Forum granted compensation to the farmer. The decision was affirmed by both the State Commission and National Commission. The appellants approached the Supreme Court against the National Commission's decision. However, the Supreme Court overturned the National Commission's decision, denying the farmer compensation. It based its decision on an expert committee report that had been previously deemed ambiguous by the National Commission. The report suggested that the crop failure was due to factors other than seed quality.

These cases perfectly illustrate the continuing challenges farmers face as they navigate the legal procedures outlined by consumer protection laws. The consumer forums fail to apply a proper legal methodology in cases involving defective seeds and farmer compensation claims, thereby perpetuating a lack of clarity and uniformity in their decisions. When it comes to determining claims, this lack of clarity and uniformity creates uncertainty. As identified, farmers mostly approach agricultural officers immediately upon finding issues with seed germination or quality, and they base their subsequent course of action on the officers' advice.

In the cases discussed above, primarily at the district level, the consumer forums relied on reports from agricultural officers to reach a decision in favour of the farmers, despite inspections having been conducted prior to the consumer complaint. However, when it comes to decisions made by the National Commission, there is no clarity or uniformity in how these reports are considered. In some cases, the National Commission accepts the report, while in others, it rejects it, citing peculiar arguments such as the insufficiency of a single official's report. These arguments lack legal justification, as the law does not establish a specific threshold for accepting or rejecting a report.

These decisions, and the lack of uniformity among them, expose procedural irregularities perpetrated by the National Commission in its decisions. This analysis highlights the issue of defining the boundaries for expert reports. In one decision, the National Commission accepts an agricultural officer's report, recognising the officer as a subject-matter expert. In another, it dismisses a similar report, citing the absence of an inspection notice or questioning its reliability. Ultimately, this lack of uniformity denies farmers the compensation that they are entitled to. Smallholder farmers, in particular, find the process of seeking a remedy through consumer forums arduous. The Supreme Court's observations regarding the lack of seed samples with farmers and the responsibility of seed companies have not been followed by the National Commission in multiple cases subsequent to the *Madhusudhan Reddy* case.

The above analysis shows that channelling farmers' compensation claims through consumer protection laws, as proposed in the Seeds Bill 2019, would only compound their difficulties. The omission of this provision in the Seeds Bill 2025 does little to resolve the situation, as farmers remain without a dedicated statutory remedy and are still left to navigate consumer forums. The same complexity and uncertainty documented in the above-mentioned cases would be encountered by farmers seeking redress through this route. Farmers who have already experienced losses are subjected to an untenable delay due to the protracted timeline for consumer complaints, which often exceeds five to ten years.¹⁰⁶ This timeline reflects cases transferred from District Forums to the National Commission and, on rare occasions, to the Supreme Court. Additionally, section 38(2)(d) of the CP Act 2019 requires complainants to pay testing fees for samples submitted to laboratories. This provision imposes an additional financial burden on farmers who have already lost income due to seed failure. For most Indian farmers, especially smallholders, incurring additional costs to pursue

¹⁰⁶ Praveen B Para, '31 farmers get relief for getting poor quality seeds after over a decade-long legal fight' (*The Hindu*, 31 Dec 2023) <<https://www.thehindu.com/news/national/karnataka/31-farmers-get-relief-for-getting-poor-quality-seeds-after-over-a-decade-long-legal-fight/article67692633.ece>> accessed 24 Jan 2025.

compensation is unrealistic. As a result, resorting to consumer forums is not only time-consuming and uncertain but also financially challenging.

Way Forward

Farmers, who are already experiencing crop losses, find it difficult and burdensome to pursue compensation for defective seeds under consumer laws, as evidenced by previous cases. It would be more practical to incorporate remedies for seed failures directly into seed legislation, rather than relying on consumer protection laws. The Seeds Bill 2011, which proposed a compensation committee to address compensation claims, partially reflected such an approach.¹⁰⁷ However, the Seeds Bill 2019 proposed channelling farmers to consumer forums for compensation, and the Seeds Bill 2025, which is set to replace the outdated Seeds Act 1966, has gone further by omitting any compensation provision altogether. In that regard, below is a concise outline of a potential remedial framework for new seed legislation, guided by the case analysis conducted to date and the identified deficiencies.

Integrated and farmer-friendly remedy mechanisms

The process of submitting consumer complaints and pursuing compensation for defective seeds is overly complex for farmers in rural communities. The procedures often involve multiple visits to different offices, intricate paperwork, and technical knowledge that many farmers lack. These hurdles disproportionately impact those with limited literacy, resources, and understanding of their legal rights. These farmers may be unaware that they have a right to, and should, express their concerns about substandard or low-germination-rate seeds. The absence of a well-defined, transparent avenue for complaint registration compounds the issue by leading to underreporting of genuine concerns, thereby delaying or denying equitable redress.

A new seed law must address this systemic shortcoming by prescribing a precise roadmap for farmers to follow whenever they encounter seed-related issues. Legislation, for instance, can mandate the initial lodgement of complaints at a local or village-level agricultural office, where officials receive specific training to manage and record these cases. If the initial resolution is unsatisfactory to either party or requires more detailed scrutiny, officials can then move these complaints up the administrative hierarchy. The law could mandate the use of simple, easily understandable language at every stage of the process, from filing to final decision, to ensure full clarity. Visual aids, such as posters, illustrated handbooks, and infographics, can further help farmers navigate procedural steps.

The law could also include provisions that either mandate or encourage the presence of local extension officers or community volunteers who facilitate data collection and form completion. This on-site assistance is essential for farmers who may encounter difficulties with written documentation. In this manner, farmers who may have otherwise refrained from submitting complaints due to their difficult administrative responsibilities can receive direct assistance in completing paperwork, gathering pertinent evidence, and understanding the subsequent steps. This farmer-friendly, integrated approach ensures that pursuing legitimate grievances is not an impossible task for those who need the most protection.

Pre-purchase awareness and training

One of the most common issues in agriculture, especially in areas with significant literacy gaps, is ensuring that farmers have the essential information to maximise the potential of their seeds. Even the best seeds can yield poor results if farmers are unaware of proper sowing depths, spacing, irrigation cycles, or pest management techniques. Additionally, many farmers are unaware of their rights

¹⁰⁷Seeds Bill 2011, cl 20.

if the seed fails to germinate or does not meet the promised criteria, leaving them at a disadvantage when problems arise.

Purchase points can effectively address these issues by implementing required and systematic awareness programs. There could be a brief, uniform training session available to farmers whenever they purchase seeds from a dealer or company representative. During these training sessions, farmers would observe demonstrations of proper planting techniques, fertiliser application, and water management, as well as learn the ‘dos and don’ts’ of handling and storing seeds. These sessions could use visual or audio elements, such as movies, posters, or diagrams, to reinforce key points while addressing the realities of different learning styles and literacy levels.

Another essential component of this training is guidance for farmers on the importance of record-keeping. Farmers often neglect to keep receipts or note the batch numbers on seed packets, which are essential for supporting a compensation claim if seeds underperform. Encouraging farmers to maintain a simple log, detailing planting dates, weather conditions, and observed germination rates, establishes a reliable record that can differentiate between issues stemming from seed quality and those arising from environmental or agronomic factors. By emphasising that farmers do have rights and recourse in the event of seed failure, these training modules would promote a culture of proactive engagement, reducing the likelihood that a farmer will suffer in silence when problems arise.

Evidence collection and the burden of proof

Historically, farmers have borne the significant responsibility of detecting seed defects. Once farmers use the seeds in the fields, they may lose their original packaging or identification details, leaving little for laboratory testing. In the absence of concrete evidence connecting the farmer’s crop failures to inferior seed quality, companies may challenge the assertion, attributing the unsatisfactory outcomes to inadequate farming practices, adverse weather conditions, or other external influences. This situation is particularly unjust to smallholder farmers who may lack awareness regarding the significance of preserving a seed sample.

A forward-looking approach shifts the responsibility for sample preservation to seed companies. Under such a system, every seed company or dealer has a legal obligation to maintain a sealed reference sample of every batch they sell for a prescribed length, maybe one or two seasons. In the event of a dispute, the viability and genetic purity of that specific seed lot can be ascertained using this preserved sample as the reference sample. The reference sample provided by the seed company may be utilised for third-party testing if a farmer reports poor germination or yield but lacks a personal sample to evaluate. This system not only solves the logistical problem of farmers not keeping seeds but also strengthens the company’s accountability for the quality of goods offered for sale.

A network of government-accredited labs could be set up to conduct these tests, ensuring impartiality and technical rigour. These labs would be guided by standardised protocols, which could be laid out in the seed law and would specify the allowable thresholds and evaluation parameters. Farmers and seed companies would then receive test results transparently, accompanied by a clear explanation of the conclusions. Such transparency allows farmers, seed producers, and judicial or quasi-judicial bodies to make decisions based on verifiable scientific evidence, minimising the risk of bias or erroneous claims on either side.

Decentralised, community-level adjudication

In many rural regions, significant geographic and financial barriers make it impractical for farmers to travel to distant cities or administrative headquarters to resolve disputes. Farmers often lack the time and resources to abandon their fields for prolonged periods, and the costs of travel and lost labour can often exceed the potential compensation they seek. In addition, officials at higher-level

conflict resolution bodies might not be familiar with local circumstances, such as soil types, climate patterns, and prevalent pests, that directly affect how well a seed performs.

By creating a decentralised adjudication system at the *taluk* or *panchayat* level, the complaint process becomes far more accessible. These local bodies would likely meet within or near the communities they serve, drastically reducing the time and costs farmers must spend to attend hearings. These local bodies would be staffed by agricultural officers, well-versed in regional farming practices, and community-elected representatives, who are aware of local socioeconomic contexts. The likelihood of fair and culturally sensitive outcomes is increased by the diverse membership, which bases decisions on both technical expertise and local realities.

Operating in the local language is fundamental to the success of such bodies. Farmers should be able to express their grievances, provide testimony, and understand adjudicators' questions and decisions without facing linguistic or cultural barriers. Where multiple languages are spoken, arrangements for translation and assistance could be made. Beyond mere dispute resolution, these local bodies can also serve an educational function, helping farmers to better understand seed regulations, beneficial agricultural practices, and their rights within the broader agricultural supply chain. Over time, decentralised adjudication can strengthen community trust in the legal system, reflecting a model of governance that is genuinely responsive to rural needs.

Defined timelines and expedited decisions

Time is of the essence in agricultural operations. Every step of agricultural activities, from seed planting and soil preparation to crop harvesting, is impacted by weather patterns and seasonal cycles. A delay in receiving compensation or clarity on a dispute can have cascading effects on a farmer's ability to invest in the next cycle, leaving families and entire villages vulnerable to financial strain and instability. When the dispute resolution process stretches over months or years, farmers may miss crucial opportunities to replant or secure alternative seeds, worsening their already difficult situation.

Therefore, a cornerstone of an effective seed dispute mechanism is imposing strict, legally enforceable timelines on every step of the procedure. Within a short period after a complaint is filed, perhaps fifteen to thirty days, an initial hearing or review could be conducted to assess the basic merits of the claim. The testing of seeds and the gathering of documentary evidence could be similarly time-bound to avoid administrative backlogs. By mandating a final decision within sixty to ninety days from registration, farmers have a better chance of receiving outcomes that align with their planting schedule.

The procedures for appeals could also be strictly regulated. Farmers or seed firms may appeal if they think anything went wrong, but they shouldn't exploit this as a way to delay action. Faster decisions are encouraged by restricting the appeal filing period to about thirty days from the date of the initial decision. The full appeals procedure, including any necessary retesting, could ideally be completed within a year, well in advance of the start of the next planting season. By enforcing efficiency, the legal framework helps to protect both the farmer's financial stability and the overall integrity of the agricultural calendar.

Cost-free process for farmers

The financial burden of pursuing legal redress can be a substantial deterrent, particularly for small and marginal farmers with limited incomes. The financial risk associated with the uncertain outcome can be so high that farmers are discouraged from pursuing their legitimate claims, even if the costs of laboratory testing or filing fees are minimal. This undermines the principle of equality before the law by perpetuating a culture in which only individuals with greater financial resources can afford to challenge powerful seed corporations.

The principle that justice should be accessible to all, irrespective of socio-economic status, is upheld by ensuring that the entire dispute-resolution mechanism is free of charge for farmers. The costs of laboratory testing can be subsidised or covered by governments through dedicated agricultural funds or through levies imposed on seed companies. Furthermore, government-appointed advocates (lawyers) may be employed by local adjudicatory bodies or legal aid cells to aid farmers in the preparation of essential documentation, the submission of evidence, and the articulation of their claims. In the event that language barriers or technical complexities arise, translators and subject-matter experts should be readily accessible to the farmer at no cost.

Seed company liability

While the framework must prioritise farmer protection, it should also recognise that crop failures may result from factors beyond seed companies' control, such as climatic variability, pest infestations, or improper cultivation practices. A balanced law must therefore distinguish between natural biological risks and genuine defects in seed quality, imposing liability only in cases of misrepresentation or non-compliance with declared standards. Provisions for batch-wise traceability, transparent labelling, and record-keeping will help fairly assign responsibility while incentivising companies to maintain high standards. This balance ensures that regulation protects farmers without discouraging legitimate enterprises from innovating and participating responsibly in the seed sector.

This approach fosters a fair environment, enabling even the most economically disadvantaged farmers to assert their rights. It also creates a strong deterrent against the sale of substandard seeds, as companies realise that every farmer, regardless of wealth or literacy, can hold them accountable without bearing extra financial strain. Governments demonstrate a sincere commitment to rural welfare and national food security by allocating resources to enforcing fair practices rather than recovering administrative costs from farmers.

Conclusion

Farmers in India who rely on the formal seed supply system, primarily through seed companies, lack recourse in the event of seed performance failure. The failure could be caused by a variety of factors, such as germination problems, faulty seeds, the provision of different seed varieties, and decreased yield. For a number of reasons, the Seeds Act 1966, which regulates seed quality, does not help. For instance, the 1966 Act only regulates notified varieties, leaving most of the others unregulated.

Further, the 1966 Act does not contain any provision that provides a remedy available to the end users of seeds, namely farmers. Under the Seeds Act and the associated rules, the only option is to file a complaint with the seed inspector, who may take action against the seed company. It does not provide any compensation to farmers. The PPVFR Act's compensation provision is also not a practical option for farmers. In that regard, the only option available to farmers is to approach the consumer forum and claim compensation for defective seeds. This was reflected in the Seeds Bill 2019, which proposed directing farmers to consumer forums for compensation. However, the Seeds Bill 2025, set to replace the Seeds Act 1966, has omitted any such provision entirely, underscoring the need to examine consumer law as a recourse for farmers.

However, this research's analysis has clearly identified multiple factors that contribute to the cumbersome, labour-intensive nature of the process for farmers. These factors include questions about whether a farmer can be a consumer, the jurisdiction of consumer forums, and, most importantly, the lack of clarity and uniformity in determining seed defectiveness. The National Commission's shifting stances on various cases have muddled the procedure consumer forums follow for expert reports and related matters. This uncertainty has prompted the recommendation of an inherent mechanism within the seed law itself to address farmers' compensation in the event that the expected seed performance fails.

This work recommends that a farmer-focused framework for seed dispute resolution is integral to ensuring that the agricultural sector remains equitable, efficient, and sustainable. By simplifying the initial complaint processes, enhancing pre-purchase training, reassigning the burden of sample retention, decentralising adjudication at the community level, enforcing strict timelines, and making procedures cost-free for farmers, the framework addresses core challenges that have historically disadvantaged those who feed the nation.

By guaranteeing both accessibility and fairness, this comprehensive dispute resolution framework stands as a vital pillar in supporting the long-term resilience and prosperity of the agricultural community. Comparative experience reinforces this urgency: Brazil's *Programa de Subvenção ao Prêmio do Seguro Rural* (PSR) provides federal premium subsidies to make crop insurance affordable for small farmers,¹⁰⁸ South Africa offers a range of agricultural insurance products to protect farmers against climatic and biological risks.¹⁰⁹ However, both systems operate as general crop insurance programmes and do not provide a structured, statutory framework for compensation in cases of defective seeds. In contrast, India's reliance on consumer forums, without an inherent seed-specific compensation mechanism, leaves farmers comparatively disadvantaged and underscores the urgent need for a farmer-centric legislative framework. The proposed framework accomplishes more than just resolving disputes: it creates an environment in which farmers are well-informed, seed companies are accountable, and government institutions actively safeguard agricultural livelihoods. In the long term, these measures will cultivate a culture of shared responsibility, scientific rigour, and transparency, thereby strengthening food security and reinforcing the social contract between rural people and the state.

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¹⁰⁸Ministério da Agricultura, Pecuária e Abastecimento (MAPA), *Programa de Subvenção ao Prêmio do Seguro Rural* (PSR) (Gov.br, 9 Jul 2019) <<https://www.gov.br/agricultura/pt-br/acao-a-informacao/acoes-e-programas/cartas-de-servico/politica-agricola/programa-de-subvencao-ao-premio-do-seguro-rural-psr>> accessed 19 Aug 2025.

¹⁰⁹Phiwe Jiba et al, 'Preferences for index-based crop insurance in South Africa' (2024) 16(1) Jàmbá: Journal of Disaster Risk Studies 1611.

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