

The best of times, the worst of times

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The problem with Indian agriculture is that we are still stuck with the so-called Green Revolution of the 1970s. It has neglected pulses and millets. | Photo Credit: SINGAM VENKATARAMANA

Without government support, farmers pay the price for a bumper crop they labour so hard to produce

The ongoing farmers' agitation has taken on a shockingly violent form. Discussion has revolved around an apparent paradox: why are farmers rioting after a bumper crop? But any student of economics knows that prices fall after bumper harvests, which is good for consumers but terrible for farmers. This is why the government needs to step in to buy from farmers at a minimum support price, while subsidising consumers so that they get affordable food. This is what we have done over the last fifty years after setting up the Food Corporation of India (FCI) in 1965.

If this system has been in place for so long, why are we still lurching from crisis to crisis? For long, we have said that the solution is to get people off farming. While there is no doubt we need to create more jobs in manufacturing, we must not forget that even in the year 2050, according to the latest projections, there will still be 800 million people living in rural India. And just one look at the state of Indian cities makes it clear that endlessly moving people from villages to cities could actually deepen the urban imbroglio. So solutions have to be found for agriculture — and fast. Use and abuse of soil, water The problem with Indian agriculture is that we are still stuck with the so-called Green Revolution of the 1970s. I use the prefix "so-called" for a specific reason. Yes, there was a dramatic rise in food production. And India no longer needs to beg for food in the world market. But this was primarily a rice and wheat revolution. It completely neglected two-thirds of Indian agriculture and crops grown and eaten by the poorest people of our country — pulses and millets. There is also nothing "green" about this revolution because, over the years, it has caused a deep crisis of sustainability, economic and ecological. Large-scale use of chemical fertilisers and pesticides has had an extremely adverse impact on our soil and water. Deep drilling by tubewells to grow these water-intensive crops has happened without any reference whatsoever to India's unique hydrogeology, where nearly two-thirds of our land is underlain by hard rock formations which have very low rates of natural recharge. This has meant that there is now a serious water crisis, with both water tables and water quality falling rapidly. We have arsenic, fluoride, mercury, even uranium in our drinking water, creating serious health issues. What is worse, to get the same increase in production, farmers have had to apply more and more fertilisers and pesticides over time. This dramatically raises costs of cultivation, without a proportionate increase in production. More than 3,00,000 farmers have committed suicide over the last two decades, which has absolutely no precedent in Indian history. Sustainable agriculture So what can we do to address these twin tragedies of suicides and violence by farmers? First, we need to transition to a more ecologically resilient agriculture. This becomes even more urgent in the context of climate change. Large-scale evidence now exists that non-chemical agriculture has become a profitable alternative. As farmers reduce their dependence on synthetic fertilisers and pesticides, they slowly emerge from the ecological vicious cycle and are also able to dramatically reduce their costs of cultivation, without compromising on production. The biggest votary of non-chemical farming is the Prime Minister himself. He has also launched the Soil Health Card Scheme, which potentially enables farmers to more carefully manage input regimes. The government must announce a comprehensive package to give a green direction to the nature of subsidies in the sector. Second, we must radically reform the management of both surface and groundwater to ensure that the water in our irrigation commands reaches the farmers for whom it is meant and groundwater is managed sustainably in a way that ensures that no one is deprived of their right to water for life. There is positive movement in both these directions within government except for some hesitation in going ahead with a new model groundwater Bill drafted by the Ministry of Water Resources. This landmark Bill seeks to replace archaic British Common Law from the 19th century, which has provided legal legitimacy to the over-extraction of groundwater that underpins the current agrarian crisis. The new law needs urgent adoption and advocacy with the States by the Government of India. On diversification Third, we require continued diversification to other forms of livelihood, such as livestock and fisheries, among the fastest-growing segments of the rural economy, which could be hurt by recent policy changes. We must also shift focus away from water-intensive rice and wheat. This means radical changes in the way we grow these crops (seed, water and input regimes) but also much greater encouragement to millets and pulses, which are nutritionally far superior alternatives in a country beset with the diabetes epidemic. The key change required here is aggressive and extensive procurement of these crops by the government. FCI procurement focusses only on rice and wheat although this year we saw some initial steps in the direction of procurement of pulses. This is a welcome move but needs to go much further. The best way would be to include millets and pulses in the massive anganwadi and mid-day meal programmes.

Fourth, investments in agro-processing infrastructure are urgently required that would enable farmers to move up the value chain. We cannot continue to have them dumping their vegetables and milk on the road. They should be processed before they are sold and farmers must get their due share in the value chain. Fifth, we need to ensure access to credit and crop insurance, especially to our 85% small and marginal farmers. This is why I am strongly opposed to farm loan waivers as they destroy the integrity of the banking system and potentially undermine the extraordinary anti-poverty initiative led by Self-Help Groups (SHGs) of women across the country. So many of these extremely poor women, with more than 97% loan recovery ratios, have helped the banking system survive in remote rural India. All this great work of providing an alternative to the usurious moneylender-traders is threatened by loan waivers. Finally, we need strong Farmer Producer Organisations, to overcome massive handicaps faced by isolated farmers and enable them to really benefit from market participation. Demonetisation crunch While many cumulative factors have taken a toll on farmers over decades, more proximate factors explain the outbreak of extreme violence. Speaking to farmers and traders, it appears that demonetisation squeezed so much liquidity out of the system that traders did not have requisite cash to buy the farmers' produce. Farmers also feel that persisting with imports, even after clear signs of a bumper harvest, further depressed prices. Having lived in

remote rural Madhya Pradesh for the last three decades, I do not recall a crash in prices as dramatic as this year's, that too in the peak of summer. In Madhya Pradesh, Maharashtra and Karnataka, prices of tuar, gram, soybean, grapes, potatoes, onions, tomatoes, milk, garlic, cumin, coriander and fenugreek are at historical lows. And when this happens in crops with high costs of cultivation and inadequate government support, the impact is catastrophic, leading to what the Reserve Bank of India has called "fire sales". Which has also created apprehensions about kharif sowing. No wonder the farmers are upset. Violence shows no way forward. But this is a juncture agrarian policy reform in India cannot afford to ignore. Only a comprehensive policy response can ensure that farmers' distress becomes a thing of the past.

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