



S Y M P O S I U M

National Policy for Farmers Ten Years Later

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INTRODUCTION

Both during colonial times and after Independence, no Commission had ever been set up to look at the problems of farm families with special emphasis on the human dimension of the ancient profession of farming. The most important Commission set up in the days of British rule was the Royal Commission on Agriculture, headed by Lord Linlithgow. An important statement made by that Commission was:

However efficient the organisation which is built up for demonstration and propaganda be, unless that organisation is based on the solid foundation provided by research, it will be merely a house built on sand.

This assessment of the need for scientific backstopping for extension advice led to the birth of the Indian Council of Agriculture Research (ICAR) in 1928. The Council was given concurrent responsibilities in the fields of research, extension, and education. In spite of the steps taken from time to time to make farming profitable and save farmers from undue economic distress, the agrarian crisis continues and India has become known for widespread occurrence of farmer suicides. The size of landholdings is also getting smaller and water resources are becoming scarce.

NATIONAL COMMISSION ON FARMERS AND DRAFT NATIONAL POLICY FOR FARMERS

It was under these conditions that, on February 10, 2004, the then Minister for Agriculture, Rajnath Singh, and the then Prime Minister, Atal Bihari Vajpayee, decided to set up a National Commission on Farmers (NCF) under the chairmanship of Sompal. This was the first time a commission for farmers had been set up; the mandate for all earlier commissions had been to look into the problems of agriculture and not specifically of farmers. After the change in government, on November 18, 2004, I was appointed Chairman of the NCF. The other Members of the Commission were R. B. Singh, Y. C. Nanda, Atul Sinha, Atul Kumar Anjan,

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Jagadish Pradhan, R. L. Pitale, and Chanda Nimbakar. The Commission worked hard and submitted its report on October 4, 2006, within the prescribed time limit. To facilitate speedy government action, the report was submitted in parts, making a total of five reports. In addition, the NCF prepared a Draft National Policy for Farmers based on the recommendations contained in the five reports. This Draft National Policy for Farmers formed the basis of discussions with State Governments and the final policy was placed before Parliament in October 2007.

It is 10 years now since the NCF presented its reports as a Draft National Policy for Farmers. Today, the main issue seems to be a total lack of implementation. Meanwhile, several new issues have emerged in relation to farmers' economic and ecological survival, which also need careful consideration. Some of these are as follows.

- a. Local climatic variability has been rising, but cropping choices and patterns are not adapting at the same pace, leading to greater seasonal vulnerability, inadequate nutrition levels, and enhanced migration because of distress.
- b. Market mechanisms have penetrated even deeper into the rural areas, signalling the types of crops to be grown with the purpose of economic gain, even if not appropriate for soil and water conditions (e.g., sugarcane in Maharashtra).
- c. While research exists, mechanisms for sharing public sector research knowledge have virtually collapsed.

The crisis in Indian agriculture is due to many factors, some of which are the following:

- The growth rate of the agriculture sector declined from 3.69 per cent per annum during 1990–96 to 1.65 per cent per annum during 1996–2005.
- Net sown area, gross cropped area, gross irrigated area, fertilizer use, electricity consumption – all declined.
- The growth rate of the terms of trade for agriculture declined from 0.95 per cent per annum in 1990–96 to (-)1.63 per cent per annum in 1996–2005.
- The plight of farmers is evident from the fact that Punjab farmers with an average farm size of 3.79 hectares growing wheat and rice earn an income that is less than the starting salary of a Class IV employee.

The main emphasis of the Draft National Policy presented by the NCF, therefore, was as follows:

Do not measure agricultural progress merely in statistical terms, but mainstream the human dimension in all agricultural programmes and strategies, and use increase in farmers' real income as the measure of progress.

Among the goals of the National Policy for Farmers recommended by the NCF, the following are important:

- to improve the economic viability of farming by substantially increasing the net income of farmers, and to ensure that agricultural progress is measured by advances made in their income;
- to provide opportunities in adequate measure for non-farm employment for farm households;
- to introduce measures which can help to attract and retain youth in farming.

The NCF had also recommended the renaming of the Ministry of Agriculture as Ministry of Agriculture and Farmers' Welfare, in order to emphasise that an important responsibility of the Ministry is to ensure the economic and social well-being of farm families. We also laid much emphasis on the gender dimensions of farming. In fact, the very first volume of the report starts with a chapter on "Women and Agriculture." I later followed it up with introducing in the Rajya Sabha (the Council of States), a Private Member's Bill on Women Farmers' Empowerment. Unfortunately, no action has been taken so far on the gender-specific recommendations of the NCF. Access to credit and to the Kisan Credit Cards (farmer credit cards) issued by the National Bank for Agriculture and Rural Development (NABARD) is an urgent need. However, credit availability to women farmers depends very much on title to land.

As I have mentioned earlier, the NCF was the first Commission to be entrusted with the responsibility of attending to the needs of farmers as citizens and fellow human beings. Therefore we wanted to make our report the voice of farming families. Considering the fact that there is widespread demand from farmers for implementation of the NCF's recommendations, I can say that we have been somewhat successful in giving voice to the voiceless.

The reports and the Draft National Policy for Farmers of the NCF placed considerable emphasis on enhancing the incomes of farmers and ensuring income security. The Union Budget of 2016-17 indicates that the government will try to help farmers double their income in the next five years.

UNION BUDGET 2016-17: DOUBLING THE INCOME OF FARMERS IN FIVE YEARS

Giving an income orientation to farming is probably the most significant announcement made by Finance Minister Arun Jaitley. He has said that the aim of the government will be to double the income of farmers in five years. The Economic Survey, however, points out that the contribution of agriculture and allied sectors has been declining. It is in this context that the emphasis on income becomes urgent. For achieving income enhancement, we need, in my view, at least five major steps: first, higher productivity of small farms leading to larger marketable surplus; secondly, knowledge, skill, credit, land ownership, and empowerment of women farmers who carry out over 60 per cent of farm work; thirdly, the substitution of low-value crops with high-value ones like fruits, vegetables, and flowers as well as

animal products; fourthly, promotion of biomass utilisation so that every part of the plant is utilised for preparing value-added products through initiatives like Rice BioParks; and finally, a procurement price based on the NCF proposal, namely, C2 (total cost of production) plus 50 per cent. An additional important need is concurrent attention to on-farm and non-farm employment.

The total Budget outlay on agriculture and farmers' welfare is Rs 359,850 million (35,985 crore). The schemes already announced, such as those relating to irrigation (including groundwater utilisation), efficient fertilizer use, improved soil health care, better post-harvest technology, and a more comprehensive agricultural insurance policy, are being backed by enhanced financial provision. A long-term irrigation fund will be created in NABARD. Emphasis has been placed on greater investment in the food processing industry. Also, 100 per cent foreign direct investment (FDI) will be allowed for marketing food products made in India. 2016 is the International Year of Pulses and we will be importing nearly 10 million tonnes of pulses to bridge the gap between demand and supply. It is therefore appropriate that the Finance Minister has provided Rs 500 crore for a special Pulses Mission. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is also to be reoriented to meet specific needs of agriculture such as soil conservation, watershed management, and groundwater harvesting. In a significant move, a 0.5 per cent *Krishi Kalyan* (farmers' welfare) cess levied on all taxable services will be utilised for farmers' welfare, for increasing their social protection and for providing them with the minimum requirements for a better quality of life. This is appropriate since the Finance Minister, at the very outset, emphasised that agriculture and farmers' welfare will be the first among the nine pillars of the Union Budget. The Budget places emphasis on organic farming. The *Paramparagat Krishi Vikas Yojana* (scheme for promoting organic farming) for bringing five lakh acres under organic farming and the proposal for organic value-chain development in the North-East region are welcome measures in this decade of sustainable development. The introduction of technology and e-platforms for regulating agricultural markets are also forward-looking steps. Taking into account the high-risk nature of farming, the credit allocation for this sector has been increased to Rs 9 lakh crore.

In order for the minimum support price (MSP) benefit to reach farmers, it is proposed to decentralise procurement, promote online procurement through the Food Corporation of India (FCI), and make effective arrangements for the procurement of pulses at an attractive MSP. Also, four new dairy programmes, namely, animal health cards, advanced breeding technology, e-market portal, and the establishment of a National Centre for Indigenous Breeds with an allocation of Rs 850 crore are timely, since we have nearly a billion farm animals.

An allocation of Rs 80 lakh per gram panchayat (village panchayat) is now to be available to transform villages by filling infrastructure gaps. As recommended by the NCF, at least Rs 20 lakhs out of this amount should be reserved for meeting the

gender-specific needs of women. Facilities are to be created for an additional storage of Rs 97 lakh metric tonnes of food grain. Rural infrastructure is to be improved by the allocation of Rs 19,000 crore for the *Pradhan Mantri Gram Sadak Yojana* (Prime Minister's Rural Roads Programme). The adverse impact of natural calamities is to be minimised through the increased agricultural credit and improved insurance; Rs 5,500 crore has been provided for an enlarged crop insurance scheme. On the whole, the Budget has tried to be as pro-farmer as possible, subject to the limitation of resources. Seeds have been sown for agricultural transformation, and for attracting and retaining youth in farming. Another area relevant to the enhancement of farmers' incomes is the announcement of a policy of technological upgradation of small-scale farming. Fortunately, many new technologies have become available and, since many of them originate from the private sector, it is important to ensure that the new IPR policy does not lead to a denial of improved technologies for small-scale farming.

THE NEW IPR POLICY

Union Minister for Commerce Nirmala Sitharaman has rightly mentioned that the new intellectual property rights (IPR) policy will provide stimulus to research and development innovations. This is the rationale behind IPR policies, since a reward-and-recognition system for innovations helps to attract more financial investment and greater professional engagement. One question that should always be kept in view, however, is the impact of an efficient IPR system on making scientific discoveries more exclusive in terms of access. For example, vaccines covered by patents may not be easily available to those who need them unless the government takes special steps. Therefore, while safeguarding the interests of innovators and discoverers, we should ensure that patent rights do not come in the way of economically and socially underprivileged sections of the society benefitting from the discovery or innovation. An interesting model was developed in Switzerland to concurrently promote innovation and social access. This related to golden rice, characterised by high Vitamin A content. To ensure that the scientists who originally developed the golden rice are not deprived of reward for their scientific genius, the Government of Switzerland, along with a few private foundations like Syngenta, initiated a Humanitarian Trust. This Trust was intended to buy the relevant patent and make it available to those suffering from Vitamin A deficiency at a very low cost or even for free. In a country like ours with gross social and economic inequities, we should ensure that those who benefit from a discovery are enabled to do so through initiatives similar to the Humanitarian Trust. The M. S. Swaminathan Research Foundation (MSSRF), which holds the patents for genes for salinity tolerance and drought resistance, adopts a pre-breeding cum participatory breeding policy, i.e. the genes for abiotic resistance developed through molecular genetics are available to farmers for breeding location-specific strains. This falls under defensive patenting.

Another area that can insulate small farmers from economic collapse is effective crop insurance.

EFFECTIVE CROP INSURANCE

Prime Minister Narendra Modi has announced a new crop insurance scheme which attempts, simultaneously, to keep the insurance cost affordable, and farmers insulated from financial distress as a result of crop losses due to reasons beyond their control. The National Commission on Farmers also emphasised the critical need for a small farmer-friendly insurance policy. In addition to the welcome steps already taken by the government to address the needs of small farmers, the following four measures need consideration. First, there should be a system of group insurance according to both location and farming system, so that transactions cost can be brought down. Secondly, seed companies that sell hybrid seeds at high costs should provide, at their expense, an insurance policy to small farmers. For example, this year, Bt Cotton became a victim to white fly, and farmers incurred heavy losses. Thirdly, we should perfect remote sensing technologies that can provide speedy and reliable information on crop losses due to unfavourable meteorological conditions. For example, in the early 1970s, I got remote sensing estimates of yield and yield losses in Anantapur and Patiala districts with the help of the Department of Space and the National Remote Sensing Agency. By this, the time taken to settle claims can be greatly reduced. Finally, women farmers who constitute nearly 50 per cent of farm families are not eligible for credit since they lack titles to land, and are thereby deprived of insurance facilities. This situation should be corrected and *mahila kisan* (women farmers) should be made eligible both for credit and insurance.

PRICING AND PROCUREMENT

Our green revolution has been sustained only because of the public procurement of wheat and rice at a fairly reasonable MSP. In the NCF report, we recommended that the MSP should be the total cost of production plus 50 per cent. Unfortunately, however, a recent panel set up by the Government of India has recommended a margin of only about 10 per cent more than the cost of production. There is no other profession that has such low returns. At the same time, farming is the riskiest profession in the world due to uncertain weather conditions arising from climate change. The future will belong to nations with grains and not guns. Further, agriculture is the major livelihood industry in our country. It is our duty to safeguard the interests of small farmers who have limited marketable surplus, and this is why I urge the Government to implement our recommendation that MSP be set at cost plus 50 per cent return. This is the only way to attract and retain youth in farming, to bring small farmers out of the poverty trap, and to ensure sustainable food security for a projected human population of 1.5 billion.

Public procurement at a remunerative price has been a key factor in stimulating and sustaining the green revolution. In spite of the NCF's recommendation that the MSP should be C2 plus 50 per cent, there is a trend towards reducing the MSP to below economic level. Procurement is also being slowed down. This will have a very adverse impact on farm economics and farmers' morale. We are the only nation where an Act of Parliament has made access to food a basic human right. The right to food with home-grown food is a proud achievement. Unfortunately, however, we are getting to be known more as a country of farmers' suicides than for other things. We should do everything possible to save our country from this ignominy. Whether we are able to achieve this goal or not will depend upon our policies in the areas of MSP and procurement, as well as on widening the food basket under the public distribution system (PDS).

Our Prime Minister announced in his Independence Day speech on August 15, 2015 that the Ministry of Agriculture will hereafter assume the additional responsibility of safeguarding the welfare of farm families. Ultimately, success in agriculture depends on our ability to help our farmers, men and women, to help the country. In spite of difficulties arising from unfavourable trends in monsoon and market behaviour, our farmers are working hard to protect our food security. The steps needed to promote the well-being of farm families who constitute over 60 per cent of the rural population are described in the five reports of the NCF and in the Draft National Policy for Farmers. At the national level, the share of agriculture to GDP has come down to 13 per cent. However, the onus of providing employment rests with the farm sector, which caters to the livelihood security of nearly 75 per cent of the population in rural India. The NCF has made detailed recommendations on how to serve the farmers and thereby save farming. Even in Punjab, nearly 80 per cent of the farmers do not want their children to become agriculturists. Immediate implementation of the NCF's recommendations in their totality will help. Meanwhile, to minimise the incidence of farmers' suicides, there is a need for establishing Agrarian Distress Counselling Centres wherever feasible in the *Krishi Vigyan Kendras* (farmers' science centres). I hope that the responsibility of safeguarding farmers' welfare given to the Union Ministry of Agriculture will help to improve the livelihood security of rural families, and thereby save their lives and livelihoods.

Online Trading Platform for Farm Goods

The launch of a National Agriculture Market e-portal (e-NAM) by the Government of India is a welcome and timely step. It will help to increase the bargaining power of farmers, provided they are trained in the effective use of this technology. Assured and remunerative marketing is the best way of stimulating and sustaining high productivity. In addition to this initiative, there is an urgent need to implement the recommendations made by the NCF in the chapter dealing with the establishment of a single Indian market. This will help to avoid constraints in the movement of

grains and will also help to establish an Indian Trade Organisation which will function at the national level in the same way as the World Trade Organisation (WTO) at the global level. Agriculture market reform has begun and it should now be taken to its logical end, namely a strong farmer-centric single market covering the whole country.

ATTENTION TO WOMEN FARMERS: A PRIVATE MEMBER'S BILL

The Bill provides for the gender-specific needs of women farmers, and seeks to protect their legitimate needs and entitlements and to empower them, with a view to carrying out the aforesaid purposes, of establishing mechanisms, authorities, powers, and functions relating thereto and for matters connected therewith. "Woman farmer" means and includes, irrespective of marital status or ownership of land, any woman who is a farmer, which includes:

- engaged in agriculture directly or through the supervision of others; or
- contributes to the conservation or preservation of agriculture-related varieties or seeds; or contributes through traditional knowledge to any type of innovation, conservation, or to the propagation of new agricultural varieties, or to agricultural cultivation methods, or practices; or
- any woman living in a rural area and primarily engaged in agricultural activity, though occasionally engaged in non-agricultural activity; or
- any woman living in urban or semi-urban areas and engaged in agriculture; or any tribal women directly or indirectly engaged in agriculture, or shifting cultivation, or in the collection, use and sale of minor or non-timber forest produce by virtue of usufructuary rights.

Context of the Bill

- Increasing feminisation of agriculture: women constitute more than 50 per cent of Indian farmers, and 60 per cent of the work force in the farming sector.
- India is a party to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) 1979, which calls for elimination of discrimination against women by ensuring equal access to agricultural services and technologies.
- The 4th World Conference on Women in September 1995, in which India participated, called for legislative and administrative reforms to give women equal rights with men to economic resources.
- The Government of India has recognized the special needs of women farmers by initiating a *Mahila Kisan Sashaktikaran Pariyojana* (programme for the empowerment of women farmers) under the National Rural Livelihoods Mission.
- It is considered necessary to implement the aforesaid decisions under Article 253 of the Constitution of India in so far as they relate to women farmers' entitlements.

Provisions Under the Bill

- Land rights:

Every woman shall have equal ownership and inheritance rights over agricultural land in her husband's family.

- Water rights:

A woman farmer shall have equal right, as enjoyed by male farmers, to all water rights connected with the agricultural land of which she is the owner, shareholder, possessor, or uses for farming activity, and shall have access to water, water resources, and irrigation facilities for carrying out agricultural activities as defined in this Act.

- Legal access to credit, insurance, technology, and other agricultural inputs.
- Fund for support services to women farmers.

FROM AGRARIAN CRISIS TO AGRARIAN PROSPERITY

As mentioned earlier, the Government of India has re-designated the Ministry of Agriculture as the Ministry of Agriculture and Farmers' Welfare, as suggested by the NCF. Such a change in name should also be accompanied by a change in the outlook towards farm families. For example, farming is a life-giving profession, and the fact that farmers take their own lives is indicative of the serious problems confronting farming and farmers. During the period the NCF was developing its report, agrarian distress and farmers' suicides became serious issues. It is sad that those who practise a life-giving profession like agriculture should be forced to take their own lives. The NCF therefore gave very serious consideration to methods of overcoming the agrarian crisis and making the problem of farmers' suicides a problem of the past. Some of the major steps needed are summarised below.

ECOLOGICAL FOUNDATIONS OF SUSTAINABLE AGRICULTURE

These are soil, water, biodiversity, and climate. It may be worthwhile recalling in this context, what the Chinese philosopher Confucius said long ago: "Despite the many accomplishments of mankind, we owe our existence to a six-inch layer of topsoil and the fact that it rains."

The transition from the green to an evergreen revolution requires the mainstreaming of ecological principles in technology development and dissemination. The major recommendations of the NCF in this regard are:

- First, issuance of a Soil Health Card to every farmer, giving information on management of the physics, chemistry, microbiology, and hydraulic

conductivity of the soil. The Soil Health Card will be an important tool for farmers to benefit from government support in the form of nutrient-based subsidies rather than product-based ones.

- The second area relates to all aspects of water security, with concurrent attention to demand management and supply augmentation. Water quality also requires attention. Water harvesting, watershed management, and efficient use of water should all become priority areas in agrarian distress-free agricultural technologies. Rainwater harvesting should be made mandatory in farms and homes.
- The third area requiring attention is technology. Eco-technologies which can help to improve productivity in perpetuity should be developed and introduced.
- The fourth area relates to credit and insurance. The NCF had recommended that credit should be made available at an interest rate of 4 per cent or less. Most of the banks are now providing credit at 4 per cent interest to farmers who pay back their loans promptly. In fact, some banks in Surat have gone to the extent of providing interest-free loans.
- Insurance, as already mentioned, is vital for insulating farmers from risks beyond their control. This should be accompanied by a risk minimisation fund, like the one recommended for plantation crops like natural rubber.

MANAGING PRICE VOLATILITY

A couple of months ago I had written about the hardship caused to the growers of natural rubber in Kerala as a result of low price. Currently, rubber farmers are experiencing considerable price improvement. But, unfortunately, their hopes for higher production will depend upon monsoon behaviour. Extreme heat and drought reduce the production of latex. In this context, we should take two steps to achieve price stability. First, as suggested by me in a report about ten years ago, the Government of Kerala and Government of India should jointly establish a Price Stabilisation Fund. Secondly, drought-tolerant and climate-smart clones should be planted while taking up new plantings.

The Rubber Research Institute of India (RRII) at Kottayam has developed drought-tolerant strains of natural rubber through genetic modification. Because of their genetically modified (GM) origin, they have not been approved for field trials. We should permit field trials since such clones can be of immense value in an era of climate change. Also, the area under natural rubber can be increased in North-East India with such clones. Natural rubber is one of our greatest assets, and through a combination of technology and public policy, we should be able to achieve sustainable production and price stabilisation.

The NCF report addresses all the issues, starting with conservation of natural resources, including germplasm cultivation, using, wherever possible, organic methods of farming, consumption both at the national and global levels, and commerce both

internal and external. As mentioned earlier, this is the first time either in colonial India or independent India that the problems of farmers have been addressed from a farmer's point of view. Although ten years have passed since the NCF submitted its report and the Draft National Policy for Farmers was placed before Parliament, action has either been slow or absent. It is in this context that some recent decisions like changing the name of the Agriculture Ministry and ensuring steps to double the income of farmers in five years are welcome ones. I hope this process of agricultural rejuvenation will continue at an accelerated phase in the coming months and years.

IMPLEMENTING THE FOOD SECURITY ACT

I am happy that the Public Accounts Committee (PAC) of Parliament has decided to prepare a report on the implementation of the Food Security Act. The National Food Security Act is a unique one and makes our farmers proud, since they were mainly responsible for taking our country from the days of the Bengal famine to a time when we could confer the legal right to food with home-grown food. This transition is probably unique in world history. I am happy that K. V. Thomas, who was Food Minister when the Food Security Act was developed, is now heading the PAC. I would suggest that the following unique features of the Act should be examined in the context of implementation.

- The Act provides for a whole life-cycle approach in terms of food security. This will require particular attention to the first 1,000 days of a child's life, which are critical for brain development and later cognitive abilities.
- The seniormost woman in a household will be designated the head of the household from the point of view of food entitlements.
- Enlargement of the food basket by including nutri-millets and other neglected crops in the public distribution system (PDS).
- Pricing, procurement, and PDS should involve millets, including sorghum, pearl millet, and finger millet (*jowar*, *bajra*, and *ragi*). It will also be appropriate to re-designate the so-called coarse grains as nutri-rich, climate-smart cereals.

I hope the PAC will also take into consideration the good features enshrined in the Chhattisgarh Act such as the provision of pulses and bio-fortified salt, so that protein hunger and micronutrient malnutrition can be addressed simultaneously. The review by the PAC provides a unique opportunity to strengthen the Food Security Act, and improve its administration and delivery systems, so that we can achieve the zero hunger target soon.

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