

Throwing the Farmer to the Wolves

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Improving the earning capacity of the farmer would require a comprehensive policy that cuts across agriculture, education and health. Such a comprehensive policy is at present missing, says M Rajivlochan.

ALL the talk about private participation in the farm sector seems like an elaborate conundrum. After all, farming in India is perhaps the most individualistic and private of all enterprises anywhere in the world. What else would you call over 127 million farmers labouring away on their homesteads in the most adverse conditions, taking the vagaries of the monsoon and an uncaring government in their stride, working against an increasingly indifferent public to whom it matters little whether their wheat is imported or home-grown and public opinion which consistently talks of wasteful farm subsidies, free power and water? How much of all this supposed largesse actually reaches the farmer is an open question, so much so that farmers in many states have asserted in recent times that they will pay gladly for their electricity if only it is supplied to them in the first place.

If such is the case, then why do our policy makers talk of inviting private sector participation in the farm sector and contract farming? Is it that they have not so much private enterprise in mind as the large-scale multinationals who are looking for cheap markets for buying GM-free crops? Should the Indian farmer then have the sole option of contract farming for an MNC as opposed to enterprise on his own? The Draft Approach Paper to the Eleventh Plan makes things a little clearer. This document says clearly, "The National Commission on farmers has drawn attention to the knowledge deficit which constrains agricultural productivity. To overcome this, the farmer will need... a good extension system...but unfortunately the extension system has virtually collapsed in most states, partly as a result of constraints on non-plan expenditure...The result is that farming practices in large parts of the country are sub-optimal. The failure of the organised credit system in extending credit has led to excessive dependence on the informal sources..."

So far so good. But then, what is the strategy proposed by the Commission to address this gap? Its recommendation is that "Accelerated agricultural growth will require diversification into horticulture and floriculture... Diversification requires effective marketing linkages...Contract farming is a potentially effective way of attracting corporate investors to help establish these linkages with markets and also provide farmers with necessary inputs, extension and other advice". Rather than think of reviving the lost art of helping people, the government is hoping that those who have a vested interest in making a profit from the people will actually subjugate that impulse and take up the role of a caring government! A report of the committee on 'India Vision 2020' does say that effort is required to upgrade the skills of the farmer and that "the existing system of 300 Krishi Vigyan Kendras needs to be supplemented by a national network consisting of thousands of farm schools offering practical demonstration and training..." but this recommendation finds no place in the Approach Paper.

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Here we have a complete abdication by the government of its responsibility for agricultural extension and support services and an invitation to the corporate sector and to MNCs to relieve them of this heavy burden. There are two crucial points that are missed out in this proposed growth strategy. Firstly, the majority of the 127 million odd farmers in the country produce food crops and some cash crops in rain-fed conditions and they do not have the wherewithal, either by way of credit or, equally importantly, by way of knowledge with which to be able to participate in such a commercialisation of agriculture.

GOING by the most optimistic scenario, 40% of the country's workforce would still be dependent upon agriculture in 2020. Is it that those who produce food crops for the nation need no support for increasing productivity and overall incomes? To say that such support should be provided by private companies whose only interest is in pushing their products is surely a uniquely Indian understanding of capitalism. Secondly, even that small portion of Indian farmers who have access to irrigation and to institutional credit are designed, in the government's scenario, to being merely cogs in an economy controlled by the multinational. The only option available to such a farmer would be contract farming in which he is completely dependent on the company. This could be one option but surely there should be others. Other models are certainly available and operational. The famous Aalsmeer Flower Auction of Holland which has a daily turnover of € 6.6 million is a cooperative organisation of Dutch farmers. Such institutions, however, require considerable support and infrastructure from the government — support which the Indian government shows no inclination to provide.

With such reluctance on the part of the government to take any affirmative action for the farm sector, it is no wonder that they have been looking so assiduously for a villain on whom to blame their sins of omission and commission. And the figure of the village moneylender, thrown up by the ongoing farmers' suicide, is undoubtedly a most convenient villain. No matter that this villain is most of the time a farmer himself. Just as the moneylender is a convenient villain, so is indebtedness easy to deal with by writing off interests on loans or even waiving loans for that matter. That such an exercise merely improves the bank's books without doing an iota towards improving the earning capacity of the farmer does not seem to mean much to the government.

As a result of decrease in the net productive income of the farmer over the years, his risk absorption capacity is minimal. Any major expense whether by way of treating a chronic illness, or by way of educating his children or of marrying off a daughter, is liable to demolish his already meagre reserves. Improving the earning capacity of the farmer would require a comprehensive policy that cuts across the sectors of agriculture, education, health to name only some. Such a comprehensive policy is at present missing. Whatever the government's reasoning be, all these factors have combined to produce a deep sense of abandonment in the Indian farming community. To address the issue in a real time manner, what the government really needs to do is to set up some mechanism to assure the farmer that even should his crop fail, he would not lose his assets.

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