

CONNECTING THE DOTS: 17-03-2018

TOPIC: Farmer's Distress: Swaminathan Committee on Farmers(2006)

➤ Background

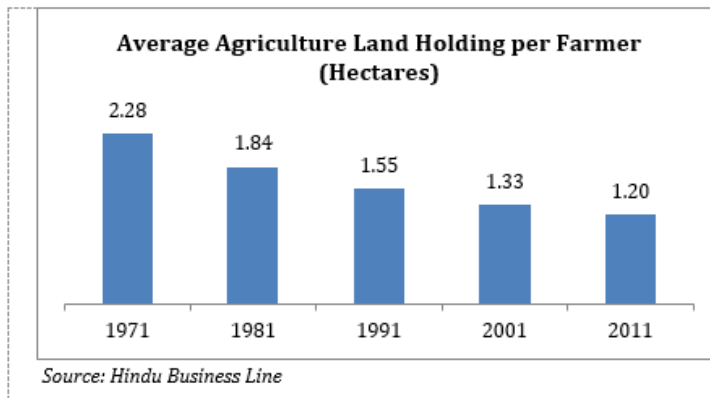
- Starting SINCE 1990s, **agriculture** growth in **India** — particularly in rural **India** — has declined at a devastating rate. This has had a calamitous impact on the livelihoods associated with **agriculture**. High rate of **farmer suicide** is a symptom of this distress.
- The year 2017 was marked by several farmers' protests nationwide.(MP, TN, Maharastra, UP etc)
- The agriculture growth rates have been unsteady in the recent past. 1.5% in 2012-13, 5.6% in 2013-14. (-.2%) in 2014-15, while in 2015-16 it was 0.7%.
- The **National Commission of Farmers (2006)**, chaired by **M.S. Swaminathan**, had pointed out that something "very serious and terribly wrong is happening in the countryside."

➤ Key Findings and Recommendations

The major causes of the agrarian crisis are: unfinished agenda in land reform, quantity and quality of water, technology fatigue, lack of access, inadequacy and timeliness of institutional credit, and opportunities for assured and remunerative marketing. Adverse meteorological factors add to these problems.

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- Land Reforms



Average size of landholding has decreased over period of time. More than 80% are marginal farmers.

- Some of the main recommendations include:

- Distribute ceiling-surplus and waste lands;
- Prevent diversion of prime agricultural land and forest to corporate sector for non-agricultural purposes.
- Ensure grazing rights and seasonal access to forests to tribals and pastoralists, and access to common property resources.
- Establish a National Land Use Advisory Service, which would have the capacity to link land use decisions with ecological meteorological and marketing factors on a location and season specific basis.

- Irrigation

60% land is rain fed thus farmer is dependent on the vagaries of nature.

- The report recommends:

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- A comprehensive set of reforms to enable farmers to have sustained and equitable access to water.
- Increase water supply through rainwater harvesting and recharge of the aquifer should become mandatory. “Million Wells Recharge” programme, specifically targeted at private wells should be launched.
 - Increase investment in irrigation.

- **Productivity of Agriculture**

The productivity of levels in India are lower than China, Japan, USA and even Pakistan.

Major recommendations are:

- Substantial increase in public investment in agriculture related infrastructure particularly in irrigation, drainage, land development, water conservation, research development and road connectivity etc.
- A national network of advanced soil testing laboratories with facilities for detection of micronutrient deficiencies.
- Promotion of conservation farming, which will help farm families to conserve and improve soil health, water quantity and quality and biodiversity.

- **Credit and Insurance**

Timely credit is important and from formal sources.

Major recommendations are:

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- Expand the outreach of the formal credit system to reach the really poor and needy.
- Reduce rate of interest for crop loans to 4 per cent simple, with government support.
- Moratorium on debt recovery, including loans from non-institutional sources, and waiver of interest loans in distress hotspots and during calamities, till capability is restored.
- Establish an Agriculture Risk Fund to provide relief to farmers in the aftermath of successive natural calamities.
- Issue Kisan Credit Cards to women farmers, with joint *pattas* as collateral.
- Develop an integrated credit-cum-crop-livestock human health insurance package.
- Expand crop insurance cover to cover the entire country and all crops, with reduced premiums and create a Rural Insurance Development Fund to take up development work for spreading rural insurance.

- **Food Security**

The decline in per capita food grain availability and its unequal distribution have serious implications for food security in both rural and urban areas.

The report recommends:

- Implement a universal public distribution system.
The NCF pointed out that the total subsidy required for this would be one per cent of the Gross Domestic Product.
- Reorganize the delivery of nutrition support programmes on a life-cycle basis with the participation of Panchayats and local bodies.

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- Eliminate micronutrient deficiency induced hidden hunger through an integrated food cum fortification approach.
- Promote the establishment of Community Food and Water Banks operated by Women Self-help Groups (SHG), based on the principle 'Store Grain and Water everywhere'.
- Help small and marginal farmers to improve the productivity, quality and profitability of farm enterprises and organize a Rural Non-Farm Livelihood Initiative.
- Formulate a National Food Guarantee Act. (Implemented)

- **Prevention of Farmers' Suicides**

More than 280,000 farmers have committed suicide since 1995 (NCRB data). Major recommendations are:

- Provide affordable health insurance and revitalize primary healthcare centres. The National Rural Health Mission should be extended to suicide hotspot locations on priority basis.
- Set up State level Farmers' Commission with representation of farmers for ensuring dynamic government response to farmers' problems.
- Restructure microfinance policies to serve as Livelihood Finance, i.e. credit coupled with support services in the areas of technology, management and markets.
- Cover all crops by crop insurance with the village and not block as the unit for assessment.

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- Provide for a Social Security net with provision for old age support and health insurance.
- Promote aquifer recharge and rain water conservation. Decentralise water use planning and every village should aim at Jal Swaraj with Gram Sabhas serving as Pani Panchayats.
- Ensure availability of quality seed and other inputs at affordable costs and at the right time and place.
 - Need for focused Market Intervention Schemes(MIS) in the case of life-saving crops such as cumin in arid areas. Have a Price Stabilisation Fund in place to protect the farmers from price fluctuations.
 - Need swift action on import duties to protect farmers from international price.
- **Competitiveness of Farmers**

The measures suggested by NCF include:

- Promotion of commodity-based farmers' organisations such as Small Cotton Farmers' Estates to combine decentralised production with centralised services such as post-harvest management, value addition and marketing, for leveraging institutional support and facilitating direct farmer-consumer linkage.
- Improvement in implementation of Minimum Support Price (MSP). Arrangements for MSP need to be put in place for crops other than paddy and wheat. Also, millets and other nutritious cereals should be permanently included in the PDS.

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- MSP should be at least 50% more than the weighted average cost of production.
 - Availability of data about spot and future prices of commodities through the Multi Commodity Exchange (MCD) and the NCDEX and the APMC electronic networks covering 93 commodities through 6000 terminals and 430 towns and cities.
 - State Agriculture Produce Marketing Committee Acts [APMC Acts] relating to marketing, storage and processing of agriculture produce need to shift.
- **Bioresources**

Rural people in India depend on a wide range of bioresources for their nutrition and livelihood security.

The report recommends:

- Preserving traditional rights of access to biodiversity, which include access to non-timber forest products including medicinal plants, gums and resins, oil yielding plants and beneficial microorganisms;
- Conserving, enhancing and improving crops and farm animals as well as fish stocks through breeding;
- Encouraging community-based breed conservation (i.e. conservation through use);
- Allowing export of indigenous breeds and import of suitable breeds to increase productivity of nondescript animals.