

**Key note address by Shri. Nara Chandrababu Naidu,
Former Chief Minister, Govt. of Andhra Pradesh**

On the occasion of

6th National Farmers Convention

2nd December, Mavalankar Hall, Rafi Marg, New Delhi.

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- Respected Shri Raghuvansh Prasad Ji, Shri Virbhadra Singh Ji, Shri Basavraj Thambake Ji, Mr. Christian Gout, Mr. Chengal Reddy garu, Dignitaries on the dais, Farmers delegates, Eminent Scientists, Representatives from the Industry, friends from Media, Ladies and Gentlemen.
- I am greatly honoured to have been provided an opportunity to deliver the key note address on the occasion of 6th National Farmers' Convention.
- The Telugu Desam party founded by late Sri N.T. Rama Rao has pioneered in introducing two – rupees/kg rice scheme in the year 1983 to provide permanent relief to millions of poor people suffering with malnutrition. It has restored the importance of the States in the federal structure of India. He has brought about decentralized political and administrative process which led to the empowerment of socially underprivileged sections.
- NTR was also responsible for bringing several reforms in Agriculture including charging Rs.50 per horse power.

- At the national level, NTR has brought about unity amongst regional parties and was instrumental in bringing about more meaningful Centre-State relations, getting increased allocations and power to the State governments.
- The economic reforms that were introduced and adopted in 1991 were out of compulsions. TDP Government in Andhra Pradesh have introduced the reforms and successfully implemented in several sectors that brought economic transformation, specially in rural economy.
- By implementing the economic reforms, human resource development by giving impetus to education and health, infrastructure development such as power, roads, national highways such as quadrilateral national highways etc.,. In agricultural sector micro irrigation systems (Israel technology) such as drip, sprinkler irrigation systems were promoted. Initiative was also taken for national river linkage by getting appointed task force at the national level so as to mitigate and minimize the devastation from floods and drought situations. I had an opportunity of serving as the Chairman of the Task Force. Report was submitted to Government after examining several irrigation systems across the country and even after visiting Israel Country to study Micro Irrigation Systems. Unfortunately, this was not carried out and adopted by the subsequent governments.
- During my tenure as Chief Minister between 1995 and 2004, we have brought about the technology revolution. Andhra Pradesh has been made recognized internationally as “**Technology Hub**”. This has become an innovative model adopted by political leaders not only in all the States of India but in Asia, Africa and South America.

- Technology revolution has made Governments transparent, improved the economic status of the State, duly providing direct and indirect livelihood for people in the State and indirect livelihoods for millions of rural youth across the Globe.
- With the creation of more Engineering Colleges in the State, mostly the rural youth coming from agricultural background have the opportunity of studying technical courses and thereby securing employment in Software Companies in different countries. This initiative of TDP Government has changed the entire agricultural based rural economy subsequently with global economic recession, most of the technical graduates have lost their jobs which has negative impact on rural economy. Now, it is time to once again think about future of the rural youth coming from agriculture background.
- However, I am of the firm opinion that Agriculture has to be developed as a key parameter for sustainable economic development and also to address the problem of ever increasing economic disparities.
- With this background, I feel it pertinent to have a quick review of the current situation of National Food Security, the persistent malnutrition, the ever-increasing hunger, the plight of the farmer and the resultant farmers' suicides before discussing about the plausible solutions.
- Almost four decades ago, two US economists, the Paddock brothers, had predicted that India with teeming millions and severe droughts was a 'gone case' and by the end of 1960s, they would die like 'flies' of hunger and malnutrition. However, the Indian farmers, Scientists, Administrators and Political Leaders disproved this irrational prediction within 5 years by doubling Wheat Output in major States and achieving self-sufficiency in food front by mid-1980s through Green Revolution. The entire world appreciated the Indian miraculous achievement in Food Sector and became role-model for other countries.

- Unfortunately today, Indian farmers are facing further multi-fold new challenges and problems such as mounting debts, increased price risks for agricultural commodities, reduced farm income, and increased input costs, which are largely arising out of new economic regime in the era of globalization, and leading to serious distress among the farmers.
- It was disappointing to note from the estimates of Central Statistical Organisation appeared in yesterday's newspaper that Agricultural growth during the first six months of the financial year (April-September) is 0.9% although overall GDP growth is around 7.9%. This indicates that agricultural growth is in the stage of “**diminishing returns**” and reaching alarming dimensions. These estimates warn us that there are difficult days for farmers in the near future if governments do not promptly respond to this poor performance of agriculture sector.

The most important concerns and problems encountering with agriculture sector are:-

Declining Farmers' Income:

- Increase in input prices (production costs) at higher rate than increase in output prices-leading to declining profitability. This phenomenon reached alarming dimension. National Commission on Farmers under chairmanship of Dr. M. S. Swaminathan and Dr. Radhakrishna Committee on Rural Indebtness also pointed out these root causes for today's farmers' distress.

- No regulation on input prices such as pesticides, seeds, machinery, etc. But there is a strict regulation on Output prices. Is it justifiable to suppress output prices in the name of consumer interest while allowing input prices to soaring?

Anti-Farmer Government Policies:

- Anti-farmer Government policies over the period..... Low MSP, new APMC Act 2005 that brought many unwanted middlemen in marketing system without any regulation, removal of Cotton seed from ECA Act in 2007, and again re-inclusion of Cotton seed in ECA Act on 19 Nov 2009; allowing key farm products under Futures Markets/commodity trading, recent Sugarcane policy and its recent ordinance, etc.,

Disastrous Sugarcane Policy:

- Sugarcane policy was subjected to a lot of undesirable changes in the recent past resulting in soaring of sugar prices with no substantial increase in the cane prices paid to Sugarcane farmers. Even the Bhargav formula which was implemented in 1970 to protect the interest of Sugarcane growers was also totally reversed to the disadvantage of farmers. The recent Ordinance promulgated by the Government of India has led to lot of uproar and even Parliament was stalled on several occasions in this regard.

Wrong Trade Policies:

- **Wrong Agri Export-Import policies** - leading to negative impact on domestic farmers and consumers.
- As a whole pro-MNCs and private sector policies by Union Govt. We need private sector participation, but with a clarity on their role and Government regulations. ***Promotion of private sector and MNCs without proper regulatory mechanism would lead to disaster to the Indian agriculture.***
- No Regulatory mechanism to watch & monitor private sector role in farming activities.

Shrinking Public Investment:

- Declining public investment in agriculture sector has become serious constraint for enhancing agriculture growth. As public investment is the key for promoting private investment in agriculture, increase in public investment is essential in agriculture sector in order to raise the overall investment thereby improving the productivity. Further, declining the impact of public sector agricultural research is another important factor for low productivity, thereby meager farmer income. Our public investment in Agricultural research is less than 0.5% of Agriculture GDP as against 2% in China, 4 to 7% in developed nations.
- Now it is time for all of us unitedly to demand for a separate Budget presentation for Agriculture both in Parliament and State Assemblies.

- Despite huge investment in irrigation sector, net irrigated area is either stagnant or declining. Where is this investment going is a matter of concern.

Inadequate credit delivery system

- As total agricultural credit in relative terms as compared to agricultural GDP is either stagnant or declining i.e., around 9 to 10% Agricultural GDP over the past 8 years, the Government figures on 'Increase in Agricultural Credit' has no meaning. Further, the rapid increase in cost of production in the recent past has not been compensated by increase in Agricultural Credit. At present, only 13.5% of total credit was advanced to Agriculture Sector by all the Banks put together as against the mandatory proportion fixed by RBI at 18%. Therefore, the agricultural credit should be enhanced proportionately to increase in agricultural GDP on one hand and to commensurate for increase in production cost on the other hand. Thus, increased credit limit per hectare by at least 50% over the present level is the immediate need of the farming community. Centre should assist state to provide credit to agriculture at 4% interest rate that helps million of farmers, specially for small and marginal farmers.

Crop Insurance to be more comprehensive:

- At present, Crop Insurance Scheme covered a fraction of overall farmers, that means it covered only 8% of the total farmers in India specially those who borrowed credit from different financial institutions. Further, it covered only some crops and tenants were totally eliminated from the present Crop Insurance Scheme. As Natural Calamities like droughts and floods have become recurring problems of Indian farmers, a comprehensive Crop Insurance Scheme that would cover all major crops and accessible to large number of farmers including tenants is required.

Weak Extension Services:

- Weakening of extension system and inadequate input delivery system, leading to wide yield gaps. Although we had strong rural infrastructure and human resources, the technologies generated in agricultural research are not being properly and timely disseminated to farming community

Poor Agriculture – Industry Linkage:

- Very weak linkage between Agriculture and industry despite imminent necessity for mutually benefited comprehensive perspective. Therefore, more effective and meaningful integrated approach needs to be evolved for promoting Agro-based Rural Industries.

- There is an urgent need to restore confidence, dignity and social equity among the farmers. Unfortunately, the present policy on promotion of SEZs is highly unfair and detrimental to agriculture and farmers interests.
- Farmers are not being paid properly for the lands procured for SEZs.
- Most of the SEZs are remaining as non performing assets without fulfilling the objectives for which they were meant.

Increasing Drudgery for Farm Women:

- Women constitute about 50% of the population. Agriculture provides occupation to majority of women in agriculture sector particularly in rural areas. Dairying, Backyard Poultry rearing are also the major occupations among several others for Farm Women in country-side. Hence, welfare of the women in agriculture sector assumes utmost importance.
- Removing physical drudgery for the farm women, agriculture labour, tribal, nomads and hilly area people. It is a humiliating factor and depressing aspect that the physical drudgery being faced by the women; tribals; fishermen and rural artisans is some thing that we should be ashamed of.

Need for fair Package for Small Farmers:

- To develop a fair package to provide immediate relief – financial – investment - land restoration - loss of property, for every problem confronted by the 600 million small farmers spread over 6 lakh villages are the immediate priorities to be addressed.

Need for modernization of Agriculture:

- The science driven modern technology is key for achieving the rapid agricultural transformation as has been experienced in China, Vietnam, Japan, and South Korea etc.,
- However, in Indian context agricultural research has been stagnant over the past 20 years with little achievements, particularly in the front of modern technologies like Bio technology, molecular biology etc.,.
- Therefore our farmers have to depend on MNCs for accessing bio tech products like Bt cotton etc., Although, we have adequate infrastructure and human resources the technological backwardness has prevented modernizing Indian agriculture.
- Thus, there is an urgent need to strengthen advanced research areas like bio technology and also modern farm machineries in order to modernization there by increasing the productivity and farmers income.
- **This brings to the forefront, the pertinent questions whether the problems of the Farm Sector are due to “lack of resources” or lack of “political will” on the part of leadership at the helm of affairs.**

Income insurance to farmers’:

- **Assured and secured income insurance for the farmers** is need of the hour. It is argued by the experts that small farmers are at great disadvantage. We need to find solution to make the small farms sustainable drawing the example of Chinese who have relatively small farms.

- The small farmers are highly vulnerable for exploitation. This trend needs to be reversed by addressing their problems with special attention.

Step-motherly Treatment for Agriculture / Farmers' Commissions:

- We need to remind ourselves that the Governments are keen in implementing recommendations of several Commissions relating to Service, Industry and other non-agricultural sectors, the reports of various Farmer/agriculture related commissions such as Dr. Swaminathan Commission Report of 2006, Arjun Sen Gupta Commission Report of 2007 and Radhakrishna Commission of 2008 are still kept in cold storage. Is it because of farmers are not having enough clout and are unable to lobby with policy makers?
- **We need to question ourselves, as to why we are not treating the unorganized farm sector on par with organized sectors. This issue needs special focus and consideration.**

Need for implementation of recommendations of agricultural related committees:

- The **immediate issue for consensus building** is to get **implementation** of recommendations made by the National Farmers' Commission under the chairmanship of Dr. M.S. Swaminathan, Report on small farmers by Arjun Sen Gupta Committee and other farmer related Committee reports. For

instance, fixing of Minimum Support Price in such a way that it should be 50% over and above production cost, increasing agricultural credit in line with increasing agricultural GDP, setting up of State Level Commission for Cost & Prices, Granting total autonomous status to Cost and Agricultural Prices etc., as recommended by Dr. Swaminathan Commission. Similarly, as recommended by Sen Gupta Committee, development of small farmer-oriented technologies, increasing credit flow on 'easy terms' to small and marginal farmers etc., are essential to improve the economic status of small farm house-holds. It is heart burning to note that half of the small farmers have become agricultural labourers by 2001 while it was 1/4th of agricultural labourers in 1951. Therefore, I look forward that a day should come in the near future to provide total agricultural loans at 0% interest rates to the extent of their eligibility to all small and marginal farmers in the years to come.

Decentralized agricultural planning

- A decentralized agriculture planning and implementation, along with Farmers empowerment, is the ultimate key not only for optimizing the resources, but for better realization of farm economies.
- By liberating the Sugar sector from the age-old controls, India can save Rs.10,000 crores foreign exchange in utilizing Ethanol, 15000 MW of Electricity (600 factories x 25 MW) by using Bagasse.

- Among many more, these issues are of greatest significance to the future of our nation - The food security for about 1150 million population, finding a place for our farmers in the international arena and developing the global competitiveness of our farm sector.

Proposed new economic model for agriculture:

- Today, I am placing before the Nation, **“a new Economic model for the future growth of India”**. The next two years, in association with like minded people, we propose to tour through the length and breadth of the country to seek suggestions, modifications and mandate from farmers, intellectuals, youth, farmers, industry, media and other like-minded persons on this concept.
- The urgency of these reforms is evident from the fact that the policies of the present governments are unable to find solutions to the fundamental issues confronted by 600 million small farmers living in 6 lakh villages. Huge income disparities have arisen between the organized and unorganized sectors, between the urban and rural areas. These lop-sided growth parameters have given way to many unhealthy trends which the policy makers and intellectuals are familiar with.
- In the past 20 years, the liberalization process has propelled service and industry sectors to the global standards. But, on the farm front, an extremely distressing situation is developing. Productivity has stagnated; rural unemployment is on the increase; continued malnutrition; unabated migration; and

above all the unmitigated lawlessness and extremism are spreading their tentacles leaps and bounds to every part of the society.

- The very fact of placing such complex issues before the Political Leaders and other sections of the country is not to find fault with each other; but to evolve a new economic policies and strategies which should encompass economic equity and social justice to the 600 million small farmers and the other underprivileged in unorganized sectors.

Food Security – The Current Threat and Our Concern:

- The Director General, Food & Agriculture Organisation of United Nations (FAO), **Dr. Jacques Diouf** described the food insecurity **“as the silent hunger crises – affecting 1/6th of the global community – poses a serious risk for world peace and security. Hence, there is an urgent need to forge a broad consensus on the total and rapid eradication of hunger in the world and to take necessary immediate actions”**.
- In view of the increasing diversion of cereals to bio-fuel production in “food surplus countries” like USA, the availability of the food grains in the global market for importing has been shrinking. For instance, in USA where 20% world cereals produced, about 180 million tons of maize and other cereals are diverted to Bio-fuel production leading to shortage of cereals in global market.

- Hence, developing countries like India where about 1150 million people lives, self sufficiency in food front is essential for long run sustainable, economic development and food security.
- If, India joins the list of food shortage countries, no other country can be able to supply and export to India to feed our massive population.
- According to a new estimate published by FAO in June, 2009, world hunger is projected to reach a historic high in 2009 with 1020 million people going hungry every day. This is due to the poor global harvest, the world economic crises, the lower per capita incomes, increased unemployment and reduction in financial and food accessibility to the poorer sections.
- President of the International Fund for Agricultural Development (**Kanayo F. Nwanze**) stressed the need to protect core investments in Agriculture so that small farmers have access not only to seeds and fertilizers but also to technologies, infrastructure, institutional finance and markets.
- At the global level, the South Asian Region is more chronic to food and security than other regions of the world and India ranks 94th in the global hunger index among the 119 such countries. While famines and starvation death remain unabated, popular representation of the contemporary problem of hunger and the resultant more visible concern is the persistent food and nutrition security.

- **It is presently important to bring about a ‘National Food Security Act’, duly implementing the recommendations of various committees and commissions related to agriculture appointed by government over the period.**
- To overcome the present crisis and also to ensure food security to the teeming millions, the emphasis should be on **‘more security to the farmer first’** is our priority.
- As an important component of food security, there is an immediate need for revamping the public distribution system.
- Our goal will be economic equity to all the unorganized Small farmers, tribals, nomads, fishermen, tenant farmers and specially women.

Past glory of Indian Villages:

- There is a need to restore the villages of India to bring back the traditional culture of harmonious situation of rural India which will address the problems of migration and mitigate lawlessness.
- The challenge of developing competitiveness among small farmers is the key to future India. The Indian experts including Technology and Medical Professionals attained international recognition since they were exposed to good training opportunities.
- At this critical juncture, we need to debate threadbare whether the unprivileged and under-privileged sections living in highly inclement weather situations in the hilly areas of Nagaland, the deserts of Mewar; the snowy Kashmir and the plains of Cape Camrone were provided with similar opportunities or not?

- It is a matter of serious concern that while Indian Space Scientists were able to identify water on the moon; how could that we are not able to identify water sources in Vidarbha, Bundelkhand or Bidar and several other parts of the country?
- It is also important to find out as why different Governments are not able to provide effective extension services, accurate weather forecasting devices, market information and intelligence to our farmers more frequently?
- I STRONGLY BELIEVE INDIA HAS THE POTENTIAL OF BECOMING AN AGRICULTURAL SUPER POWER OF THE GLOBE.
- When India became a powerful hub for highly skilled human resources and infrastructure, entrepreneur skills and are able to complete globally
 - why India didn't become prominent agriculture super power and develop modernized agro processing sector, forward-backward linkages, value addition, cold chain linkages to enable the farmers' for getting highly remunerative incomes. It is known fact that India has vast natural resources particularly the largest irrigated area in the world, which are either underutilized or unutilized to their potential.

Policy is key for development:

- Lack of a farmer oriented policy environment is a key factor for agricultural backwardness in India, inspite of having all other complimentary resources. Therefore, time has now come to rethink and formulate an innovative pro-farmer sustainable policy in order to take the new economic model to the farmers.

- India, infact is having conducive environment and could be successful in attaining global competitiveness and made available all the modern infrastructure in technology even in rural areas, why not that India is not able to make break through in providing agricultural technology?
- My immediate mission is to involve myself in series of debates for the next two years which we will carry forward in association with like minded political parties, institutions and individuals, is to evolve an economic programme keeping agriculture as the axis and a growth engine for future economic development.

Way Forward – Road Map:

- Governments should focus on “Income-increasing of farmers” instead of only on subsidies. At present, total farm subsidies by both Union and states together is about Rs. 3.0 lakh crores, i.e about Rs 20,000 per hectare per year. How much of it going to farmer? Is it 20% or may be 30%? Bulk of subsidies are eaten at different levels by different people. The present subsidy/Govt support system has to be totally revamped and introduce more transparent support model where farmers can directly get Govt cash support.
- Centre should assist state government to set up a Farmers’ Welfare Authority (FWA) with considerable farmers’ welfare fund to provide social security system for the farmers.

- Every State should set up its own State level Commission for Agricultural Costs and prices, and also State level Agri-Market Regulatory authority to monitor the fair functioning of market system to safeguard the farmers' interests.
- Strengthen the SEED VILLAGE programme in order to improve quality seed available to the farmers locally.
- A strong agricultural research system with modern research infrastructure will be a powerful long tool for the agriculture development as demonstrated world wide.
- Rural marketing and infrastructure like modern storage facilities should be strengthened to get fair price for the farm produce, and reduce consumer-producer price gap.
- Centre should give helping hand to State to promote rural non-farm and non-crop sectors in order to diversify the rural income base, which will act as a buffer in the event of crop failures, and reduce income uncertainties.
- There are enough provisions under Agreement on Agriculture of WTO to protect the farmers' interests. They need to be pursued in letter and spirit in the present globalization context.
- Time and again, it has been proved the only united fight by the farmers could lead to achievement of their goals.
- Farmers organizations have to concentrate on internal institutional development, negotiating and lobbying skills and networking with the state and national organizations.
- The recent issue of Sugarcane price has clearly proved that if the farmers united and pressurize the governments, they can achieve their demands.

- Instances galore when farmers agitations and the capable leaders like Sri. Sharad Joshi, Sri Mahendra Singh Tikayat and others could move the governments to take up the farmers agenda.
 - Expert committees like Swaminathan commission, Arjunsen Gupta committee, etc., have long back listed the measures and remedies to the farmers' problems.
 - The need of the hour is whether, the farming community all over the country can organized itself, to act as a strong lobby in pursuance of its demands.
 - Now, Agriculture in India is in crisis. Food security is under threat and farmers' welfare is in doldrums. Central and State governments cannot afford sleeping over the present alarming situation any further.
 - **Hence, there is an imperative need to observe the next decade as the decade of Sustainable Agriculture, Farmers' Welfare and Global Food Security by evolving India's Economic Programme for 2010-2020.**
- We are going to seek advice from eminent people including **BHARAT RATNA Dr. Abdul Kalam; Noble Laureate Amartya Sen**, Social Workers, Media and others. I am also going to seek advice from NRI friends who have vast exposure to various concepts.
 - I commend sincere efforts of the organizers of the National Farmers Convention and particularly Sri Basawaraj Tambake and Sri P. Chengal Reddy, the President and Secretary General of CIFA (Consortium of Indian Farmers Association) for their relentless efforts in making this conference a success.

- I assure you, my Farmer friends that I will be that we have to network with each other more frequently and discuss over the pertinent issues and come out with a “Development Agenda for 2010 – 2020” with agriculture as a top priority.
- I am one with you, in this sacred endeavor to mitigate the miseries of the farmer and ensure food security for the teeming millions with a pro active vision and farmer friendly approach.

JAI KISAN – JAI JAWAN

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