

CONSORTIUM OF INDIAN FARMERS ASSOCIATIONS (CIFA)

Secretary General
P. Chengal Reddy



President
Satnam Singh Behru

Date: 26.08.2011

To
Shri. C. Rangarajan, Chairman,
Economic Advisory Council to the Prime Minister (EAC),
Hall-E, Vighyan Bhawan,
Maulana Azad Road,
New Delhi-110001

Dear Dr. Ranga Rajan,

Sub: Immediate intervention by the **Honourable Prime Minister for permitting export of 50 LT of Rice and 75LT of Wheat-reg.**

A serious unrest is brewing amongst farmers especially rice and wheat farmers throughout the country. **Indiscriminate implementation of MGNREGA, even in irrigation project areas** where work for agriculture labour is available for 365 days in a year, the consequent abnormal increase in Agriculture labour wages added with other input cost increase, **the production cost per quintal of paddy has reached Rs. 1400/- during 2010-11.**

During the same period, the MSP for rice was fixed at Rs. 1080/- by CACP. Based on which the average loss per acre of paddy cultivated is between Rs. 8,000/- to Rs. 10,000/-(25-30 bags). Hence, Crop Holiday in Andhra Pradesh.

Secondly, due to non availability of godowns space and lack of procurement by FCI and millers, **30 lakhs tons of rice is lying with the farmers in Andhra Pradesh.** Huge rice and wheat stocks are with farmers in Orissa, Jharkhand, Bihar, Rajasthan, Madhya Pradesh and other states.

The recent GOI permission allowing 1MT of rice exports has got into court case. Hence, no benefit to the farmers. **The next season paddy arrivals are expected in 60 days.** There will be no purchasing by FCI or by Millers. It will create tremendous unrest amongst paddy and wheat farmers.

"Food security first - Farmers welfare must"

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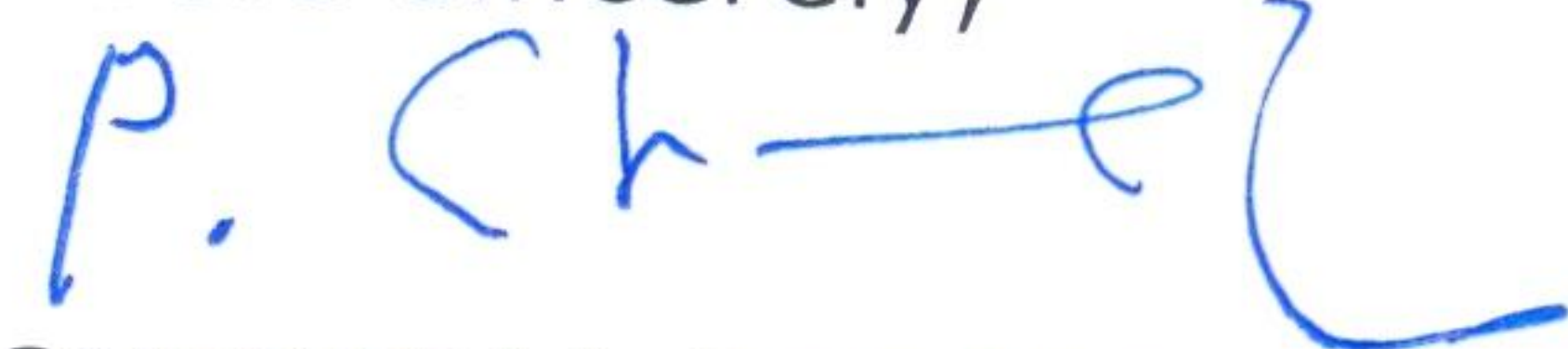
The Crop Holiday by 50000 farmers in 3 lakhs acres is declared by farmers in Andhra Pradesh is an indication of farmers unrest. We submit the following proposals as solution to the farmers' unrest.

Demands

1. **Increase the support price as per Dr. M.S. Swaminathan committee formula – Cost of Production + 50% and announce it by 1st November, 2011.**
2. **To immediately allow 50 LT of rice and 75 LT of wheat export.**
3. **Link MGNREGA by allowing 50% expenditure on crop production (labour cost).**
4. **Allocate 1000 crores for agriculture mechanization with 75% subsidy.**

We request you to advice the Honourable Prime Minster to respond on this matter within 1 week.

Yours sincerely,



P. CHENGAL REDDY
Secretary General

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Encl: News clippings.