

NATIONAL COMMISSION ON FARMERS

Prof. Swaminathan (Vth Report-vol One-Oct 2006=Excerpts)

“Economic growth which bypasses a large population is joyless growth and not sustainable in the long run. We cannot be silent onlookers to a situation where 30% of India is shining and 70% is weeping 40 per cent of the farmers wish to quit farming.”

Main Findings:

MSP less than Cost of Production

The cost of production is invariably higher than the minimum support price, due to ever-increasing prices of diesel and other inputs.

An examination of the projections of cost of cultivation for 12 foodgrain crops given by the Commission for Agricultural Costs and Prices (CACP) for the crop season 2005-06 with the MSP prevailing in 2004-05 clearly shows that C2 cost (cost of production per quintal) is not covered by the MSP in most States for the 12 crops. The data for paddy and wheat is given in Tables below. The data shows that only in four of the 12 major States producing paddy in the country, C2 is lower than the MSP and in the case of wheat it is lower than MSP in all the seven producing States except Madhya Pradesh. There is no minimum support price (MSP) or procurement arrangement for the crops grown in dry farming areas.

Table No.1: Projected Cost of production - Paddy crop (Rs./Qtl) 2005-2006

S.No.	States	A2+FL/Qtl	C2/Qtl	MSP (2004- 05)/Qtl	Return/Qtl. Over A2+FL	Return/Qtl over C2
1	AP	399	578	560	161	-18
2	Assam	436	564	560	124	-4
3	Bihar	365	512	560	195	48
4	Haryana	478	685	560	82	-125
5	Karnataka	456	602	560	104	-42
6	Kerala	633	765	560	-73	-205
7	MP	495	682	560	65	-122
8	Orissa	426	558	560	134	2
9	Punjab	324	481	560	236	79
10	Tamil Nadu	426	620	560	134	-60
11	Uttar Pradesh	371	511	560	189	49
12	West Bengal	445	573	560	115	-13

Table No

.2: Projected Cost of production - Wheat crop (Rs./Qtl) 2005-2006

S.No.	States	A2+FL/Qtl	C2/Qtl	MSP (2004-05)/Qtl	Return/Qtl over A2+FL	Return/Qtl over C2
1	Bihar	442	612	640	198	-28
2	Gujarat	468	617	640	172	-23
3	Haryana	338	516	640	302	-124
4	MP	431	656	640	209	16
5	Punjab	319	516	640	321	-124
6	Rajasthan	376	525	640	264	-115
7	Uttar Pradesh	359	528	640	281	-112

Source: Department of Agriculture and Co-operation, Ministry of Agriculture, GOI-"Reports of The Commission for Agricultural Costs and Prices"- 2005-2006

MSP should be regarded as the bottom line for procurement both by Government and private traders. Purchase by Government should be MSP plus cost escalation since the announcement of MSP. This will be reflected in the prevailing market price. Government should procure the staple grains needed for PDS at the same price private traders are willing to pay to farmers. Thus the procurement price will be higher than the MSP and will reflect market conditions. The aim of Government purchase is to feed the PDS, while the goal of the private trade will obviously be for making a large profit when the prices go up a few months after harvest. Thus, Government purchases foodgrains for public good, while private traders purchase for commercial profit. By purchasing at prevailing market rate, Government ensures that both farm families and urban consumers get a fair deal. At the same time, opportunities for the private trade to buy and store large quantities of staple grains and sell them when the prices go up substantially can be curtailed. In other words, if the market price of wheat is Rs. 800 per quintal soon after harvest, Government should give farmers that price for the quantities needed for PDS and buffer stocks. Trade will offer a little higher price than Government, in order to sell the produce when the price goes up, say to Rs. 1500 per quintal after a few months.

Low capital infusion:

Capital formation in agriculture and allied sectors in relation to GDP started declining in the 1980s and is only now being reversed. This has adversely affected irrigation and rural infrastructure development. The capital formation in agriculture which was 1.6% of the GDP in 1993-94 had declined to 1.3% of the GDP by 2000-01. Similarly the share of agriculture and allied sector in the total gross capital formation declined from 14.3% in 1970-71 to 7.1% in 2000-01.

During the nineties the profitability in agriculture declined by 14.2% mainly due to stagnancy of yield growth and increase in prices of purchased inputs outpacing increase in output prices. The declining profitability in agriculture also led to stagnation of private sector capital formation from towards the end of the nineties. The private sector investment in agriculture during 1999-00 was Rs 35,319 crore (New series at

1999.00 prices) which increased to Rs 38,215 crore in 2001-02 and consistently fell thereafter and reached a low of Rs 30,532 crore in 2004-05 (quick estimates). The data regarding capital formation from 1990-91 is given in **Table 6**.

Table 6: Capital Formation in Agriculture - Share of Public and Private Sector –

Percentage to GDP

Year	Investment in Agriculture			Share in Gross Capital Formation		Investment in Agriculture as a percentage of GDP at Constant Prices
	Total	Public	Private	Public	Private	
Old Series (1993-94 Prices)						
1990-91	14,836	4,395	10,441	29.6	70.4	1.9
1995-96	15,690	4,849	10,841	30.9	69.1	1.6
1996-97	16,176	4,668	11,508	28.9	71.1	1.5
1997-98	15,942	3,979	11,963	25.0	75.0	1.4
1998-99	14,895	3,870	11,025	26.0	74.0	1.3
1999-2000	17,304	4,221	13,083	26.4	73.6	1.4
New Series (at 1999-00 Prices)						
1999-00	43,473	7,754	35,719	17.8	82.2	2.2
2000-01	38,176	7,018	31,158	18.4	81.6	1.9
2001-02	46,744	8,529	38,215	18.2	81.8	2.2
2002-03	45,867	7,849	38,018	17.1	82.9	2.1
2003-04	47,833	12,809	35,024	26.8	73.2	2.0
2004-05*	43,123	12,591	30,532	29.2	70.8	1.7

Public sector investments are specially needed in the poorer, low rainfall areas of the country, which must now play a larger role in achieving rapid agriculture growth. These areas do not attract much private investment, which generally prefer irrigated

and developed areas. It is expected that the increased public sector investment in such areas would also attract private on farm investments and also in due course increased investments in agro-based industries.

Investment in watershed development and the water saving technologies in the rainfed areas could help in improving the incomes of the rural households considerably. Access to even limited irrigation [small water ponds filled up by rain water] could overcome drought conditions during critical growth periods, which could substantially increase production and incomes.

Agricultural research which could help the farmers to diversify into higher value products and developing technologies which could reduce the impact of long dry period on crops and enable them to have a diversified income flow by mix of crops, horticulture, tree crops and animal husbandry could help in stabilizing their incomes. The need is to increase investment in local research and make the research institutions accountable.

MEAGRE RESOURCES: Resource flow to the agriculture sector is declining, and indebtedness of small and marginal farm families is rising. Input costs are increasing, while factor productivity is declining. The cost-risk-return structure of farming is becoming adverse, to over 80 million farming families operating small holdings,

Non- Profitability of Agriculture:

During the nineties the profitability in agriculture declined by 14.2% mainly due to stagnancy in yield growth and increase in prices of inputs outpacing the increase in prices of output. The margin deteriorated particularly for cotton and oil seeds. Even if we look at the latest cost of cultivation for major food grain crops for 2005-06 [CACP data] and compare it with MSP prevailing in 2004-05, it would appear that the C2 costs were not covered even by MSP in many States. **It would be extremely unlikely that in long run farmers would continue to cultivate those crops where the C2 costs are not recovered.** Some details are given below:

Name of the Crop	States where the C2 cost projection by CACP for 2005-06 were not covered by MSP of 2004-05
Paddy	A.P, Assam, Haryana, Karnataka, Kerala, M.P, Tamil Nadu & West Bengal
Jowar	A.P, Karnataka, M.P, Maharashtra & Tamil Nadu
Bajra	Gujarat, Haryana, U.P, Maharashtra
Maize	A.P, H.P, Karnataka, M.P, Rajasthan & U.P
Ragi	Karnataka, Tamil Nadu
Tur [Arhar]	A.P, Gujarat, Karnataka & Orissa
Moong	A.P, Maharashtra, Orissa & Rajasthan

Urd	M.P, Maharashtra, Orissa, Rajasthan & Tamil Nadu
Gram	Haryana, Rajasthan
Barley	Rajasthan

Non viability of farming:

In 1991-92, the share of the bottom half of the rural households in the total land ownership was only 3.33% and the top 10% was as high as 54.08%. The extremely skewed distribution of land owned by rural household under various classes of farmers [according to land holding criteria] is shown at **Table 1**.

Table 1: Distribution of Land

Land Holding	% Of households	% Of land hold
Land less	11.24	-
Sub-margin holdings [0.01-0.99 acres]	40.11	3.80
Marginal holdings [1.00-2.49 acres]	20.52	13.13
Small holdings [2.50—4.99 acres]	13.42	18.59
Medium holdings [5-14.99 acres]	12.09	37.81
Large holdings [15 acre +above]	2.62	26.67
	100.00	100.00

The NSS Report shows that on average the total monthly income of farmers households for land holding upto 2 hectare was lower than the total consumption expenditure indicating the non viable status of these farmer households.

Indebtedness of farmers is rising not only because of farming-related expenditure, but also because of the need for healthcare. **The public healthcare system in villages is in a state of collapse.**

If we do not attend to the problems of small farm and landless agricultural labour families with a sense of urgency and commitment, the Indian enigma of the co-existence of enormous technological capability and entrepreneurship on the one hand, and extensive under-nutrition, poverty and deprivation on the other, will not only persist, **but will lead to social disruption, violence and increasing human insecurity.**

Poor marketing and Distress sales:

Distress sales by small/ marginal farmers to square off their debts or for immediate consumption purposes soon after harvest are quite common. It is normal for a farmer to get 10-15 percent discounted price for spot payment for his produce. According to reliable resources, about 50 percent of the marketable surplus of small/marginal farmers is disposed of in this manner.

Inadquate Credit and Insurance:

Natural calamities like drought, flood which are frequent and recurrent occurrences and pest infestation are serious and crippling risks. Rescheduling ,restructuring of their loans are not enough. **Waiver of loans is also needed.** An Agriculture Risk Fund, set up with contributions from the Central and State governments and banks in a predetermined fashion, could provide relief to farmers in the form of waivers in full/ part of loans and interest.

Also, interest should be waived on loans in areas hit by drought and floods and for crops under heavy pest infestation.

Lakhs of farmers have seen their insurance policies lapse after the initial payments. There are provisions in the insurance laws that allow LIC to revive the lapsed policies. If done, this would place large sums back in the farmers' accounts and give them a sense of confidence. Crop insurance, now covers only about 14 percent of the farmers.

Poor Marketing:

The gross marketing margin in farm commodities is estimated at Rs.1009 billion, out of which nearly 70% is accounted for by marketing cost. About 77% of marketing costs are estimated to be avoidable losses during handling, storage and transport.

Suicides of Farmers:

An unfortunate consequence of the constellation of hardships faced by small farm families is the growing number of suicides among farmers.

POOR EXTENSION AND INPUT SUPPLY: Linkages between the laboratory and the field have weakened and **extension services have often little to extend by way of specific information and advice on the basis of location**, time and farming system. Good quality seeds at affordable prices are in short supply and spurious pesticides and biofertilisers are being sold in the absence of effective quality control systems. Input supply is in disarray, particularly in dry farming areas. Micronutrient deficiencies in the soil as well as problems relating to soil physics are crying for attention. Farmers have no way of getting proactive advice on land use, based on meteorological and marketing factors.

LOW PRODUCTIVITY

The slow down of yield growth rate of crops in India during the nineties is very clearly shown in **Table 4**.

Table 4: Trend Growth Rates of Yields 1970-71-2000-01

Period	Yield Growth Rate Foodgrains [Annual]	Yield Growth Rate Non- Foodgrains [Annual]	Yield Growth Rate All Crops [Annual]
1970-71 to 2000-01	2.13	1.66	1.93
1970-71 to 1979-80	1.06	1.00	1.03
1980-81 to 1989-90	2.71	2.28	2.52
1990-91 to 2000-01	1.30	1.08	1.19

The deceleration of yield growth during the nineties becomes more worrisome if we compare India's yield rank globally as shown in **Table 5**.

Table 3: Gaps between Domestic and World Yield [1999-2001]

Crop	Indian Yield as a percentage of Average World Yield	Indian Yield as a percentage of Average Yield in top five exporting countries
Rice	0.76	0.64
Wheat	0.98	0.81
Pulses	0.77	0.29
Oil Seeds	0.45	0.41
Seed Cotton	0.41	0.28
Onion	0.57	0.29
Tomato	0.63	0.18
Potato	1.16	0.47

India yield as % of avg yield in top 5 exporting countries.

LOW FOOD PRODUCTION: The growth rate in foodgrain production fallen below population growth for the first time since then. It implies human numbers are increasing faster than our capacity to make the goal of Food for All a reality. At the

same time, consumption per capita is not going up, due to inadequate purchasing power at the household level. A “famine” of jobs/ livelihoods as a result of poor growth of opportunities for employment in the rural non-farm and off-farm sectors is leading to a “food famine” at the household level.

Low Food Availability

In the nineties, foodgrain growth rate has slowed down drastically to 1.7% and has fallen below the population growth rate of 1.9 %, so that per head annual net foodgrains output has fallen by about 3.5 kg from a peak of 180 kg. in the three years ending in 1994-95 to, 176.5 kg. by the three-year period ending in 2000-01.

The decline in per capita net availability of cereals and pulses over the last 15 years (from 510 grams per capita a day in 1991 to 463 gms in 2004) has been unprecedented. Estimate of requirement of cereals in 2020, range from 224 million tonnes to 296 million tonnes

To double annual foodgrain production from the present 210 million tonnes to 420 million tonnes within the next 10 years, (by 2015), will call for producing at least 160 million tonnes of rice from 40 million ha, and 100 million tonnes of wheat from 25 million ha. Pulses, oil seeds, maize and millets will have to contribute another 160 million tonnes.

NO RISK COVER

There is no Agricultural Risk Fund. Both risk mitigation and price stabilisation are receiving inadequate policy support. Investment in agriculture has suffered a decline over the past two decades. The cost-risk-return structure of farming is becoming adverse.

HUNGER

The average monthly per capita consumption expenditure of farm households across India was Rs. 503 in 2003. Endemic hunger (i.e., chronic undernutrition), is high both in families without assets like land or livestock, as well as in families with small land holdings but no access to irrigation.

. The Draft Approach Paper for the 11th Plan notes that the proportion of households below the poverty line was as high as 28% in 2004-05 as per the most recent NSS full sample round. This is close to 300 million persons. The problem at hand is therefore of enormous dimensions. Besides, there are regional variations as well in the incidence of poverty. Across the nation, the poorest States are Orissa, followed by Bihar, Madhya Pradesh and Assam.

INADEQUATE AGRO PROCESSING FACILITIES

Development of agro-processing is important to increase farmer's income and also to create employment. It would however, be necessary to introduce reforms in the agriculture sector to facilitate greater private corporate sector investments in agro-processing not only in new units but also in modernizing the established units. there are many barriers to interstate trade and commerce which come in the way of development of food processing industry. Some of these relate to poor road infrastructure, detention of vehicles, interstate and national permits and other barriers in trucking operations In the case of perishable commodities, in particular, the processing industry would like contract farming arrangements or some other institutional arrangement so that adequate quantities of appropriate raw material is available in an area preferably at a predetermined prices from where it could be transported to the factory without loss of time and quality.

The food processing sector is dominated by small-scale producers including traditional village industries. However, the link up of small units with the large units including MNCs has not developed adequately. A system where initial processing could be decentralized in the rural areas in small units [creating employment and reducing transport costs] and the final processing, quality control, packaging and marketing under brand name could be done in a centralized manner

RuralUnemployment

the employment growth in the rural areas is continuously decelerating as shown in **Table 5.**

Table 5: All India Employment Growth Rates in Rural Areas

1972-73 to 1983	1980-81 to 1993-94	1993-94 to 1999-00	
			2000
Agriculture	1.59	1.38 0.20	0.20
Non-Farm	4.54	3.37 2.34	2.34
Total	2.12	1.77 0.68	0.68

Conclusion

There is a general feeling of being '**left behind**' in large parts of rural India. The widening disparity in per capita income between farm and other than farm sector, the very slow rate of growth in agriculture, the declining profitability, extremely weak social security arrangements, weakening family and community based mechanism of social protection, lack of employment opportunities etc., and the rising aspirations are building up social unrest which if not arrested could lead to threats to internal peace and security. The worsening cost-risk-return structure of farming, the low and stagnating income of farmers and the huge and widening income divide between farmers and non-farmers are the main deterrents. So much so, as per the 59th Round of NSSO, 40 per cent of the farmers wish to quit farming. **Economic**

growth which bypasses a large population is joyless growth and not sustainable in the long run. What then is the future for India's rural population numbering over 700 million? **We cannot be silent onlookers to a situation where 30% of India is shining and 70% is weeping.** Equity considerations can not be ignored for too long. Faster growth in agriculture with improvement in welfare of the rural population is important. The need is not only to register increase in agriculture production in million tons but actual improvement in rural incomes. The promises that a 9 or 10% growth rate for a decade would solve employment problem may be mathematically correct but may leave many serious problems in its trail if we do not build an effective social security net and take appropriate policy steps to improve the income of the assetless or those with very limited assets. The twin goals of ensuring justice to farmers in terms of a remunerative price for their produce, and to consumers in terms of a fair and affordable price for staples (65% of consumers are also farmers) can be achieved through the following integrated strategy:

The need is to ensure a faster and more inclusive growth as indicated in the draft approach paper to the XIth Five Year Plan. It is not too late to mount a major offensive against the deepening crises in rural areas. However, let us not forget, the time for action is also fast running out.

[Compiled by K.Ramasubbareddy]

Important Recommendations of **NATIONAL COMMISSION ON FARMERS**, headed by Prof.Swaminathan.

(Constituted on 18th Nov 2004,final report submitted on 6th Oct 2006)

PUTTING FARMERS FIRST

"To those who are hungry, God is bread" – Mahatma Gandhi, 1946

"Everything else can wait, but not agriculture"- Jawaharlal Nehru, 1947

"Agriculture is a high-risk economic activity"

"Agriculture not just as a food producing machine for the urban population"

Prof.M.S.Swaminathan

THRUST OF THE RECOMMENDATIONS:

1)To improve the economic viability of farming by ensuring that farmers earn a "minimum net income", and ensure that agricultural progress is measured, by the advance made in improving that income. Focus more on the economic well-being of the women and men feeding the nation than just on production.

2) TO ENSURE NATION'S FOOD SECURITY AND SELF SUFFICIENCY .

MAIN RECOMMENDATIONS:

MSP TO BE AT LEAST 50% MORE THAN C2

1)The Commission on Agricultural Costs and Prices (CACP) should be an autonomous statutory organization with its primary mandate being the recommendation of remunerative prices for the principal agricultural commodities of both dry-farming and irrigated areas. **The MSP should be at least 50% more than the weighted average cost of production. The “net take home income” of farmers should be comparable to those of civil servants.** The CACP should become an important policy instrument for safeguarding the survival of farmers and farming. Suggestions for crop diversification should be preceded by assured market linkages. The Membership of the CACP should include a few practising farm women and men. The terms of reference and status of the CACP need review and appropriate revision.

The scope of the MSP programme should be expanded to cover all crops of importance to food and income security for small farmers. Arrangements should be made to ensure MSP at the right time and at the right place, particularly in the areas coming within the scope of the National Rainfed Area Authority.

Assured and Remunerative Marketing Opportunities The Minimum Support Price (MSP) mechanism has to be developed, protected and implemented effectively across the country. MSP of crops needs to keep pace with the rising input costs.

A Market **Price Stabilisation Fund** should be established jointly by Central and State Governments and financial institutions to protect farmers during periods of violent fluctuations in prices; as, for example, in the case of perishable commodities like onion, potato, tomato.

Commodity-based farmers' organisations like Small Cotton Farmers' Estates, Small Farmers' Horticulture Estates, Small Farmers' Poultry Estates and Small Farmers' Medicinal Plants Estates should be promoted 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.

An efficient marketing system **with farmer's organisations as important players** could significantly add to farmer's income from his produce. As a matter of fact farmer's organisations are needed at various levels of the value chain. The small and marginal farmers suffer loss of income due to distress sale immediately after harvest and are also on receiving end against the Commission agents/traders etc.

Infrastructure Investment fund for Farmers (IIF)

The investment in agricultural sector has nearly stagnated during the last three five year plans.

India has accumulated foreign exchange reserves (FER) of \$165 billion equivalent to about Rs.7.2 lakh crore. These have been sterilized. A part of FER is non-debt creating which means there is not much fear of flight of foreign exchange in respect of such amount. Considering the need to utilize the idle FER, Dy. Chairman, Planning Commission, took up the issue with the Ministry of Finance for utilizing FER for increasing investment in industrial infrastructure. Appreciating this novel move, the Finance Minister in his Budget 2005-06 made provision of Rs.10,000 crore for funding viable infrastructure projects through Special Purpose Vehicle (SPV) for utilizing FER for roads, ports, airports and tourism sectors at low interest and long maturity period. The pattern of earnings of FER shows that the return on FCA and gold, after accounting for depreciation, decreased to 2.1% in 2003-04 from 3.1% during 2002-03.

The proposed IIFF could be used mainly for infrastructure investment for farmers, targeting and monitoring income generating schemes. and improving marketability of their produce. The IIFF can also be funded by floating Farmers' Development Patras (FDP) and other resource raising measures.

Credit and Insurance

3)The banking system needs to meet the large unmet credit potential needed to raise agriculture to higher thresholds, and for the growth of rural and agri-business enterprises and employment ,at 4% interest rate. Agriculture is a high-risk economic activity. In drought prone areas, credit should not be just for the season, but for a **Credit Cycle** of 4-5 years and include consumption credit, so that the farmer has the capacity to spread his/her liabilities and meet the repayment requirements. The banks need to liberally provide pledge loans. However, as there are not many accredited godowns, the bankers may have to rely on storage of produce with the farmers.

Livelihood finance, which is a comprehensive approach to promoting sustainable livelihoods for the poor, is the need of the hour. It comprises of:

- (i) Financial services (insurance for life, health, crops and livestock
- (ii) Infrastructure (finance for roads, power, market and telecommunications
- (iii) Investments in human development, agriculture and business development services (including productivity enhancement, local value addition, and alternate market linkages and
- (iv) Institutional development services (forming and strengthening various producers' organisations such as self-help groups, water user associations, forest

protection committees, credit and commodity cooperatives, empowering panchayats through capacity building and knowledge centres)

Credit without insurance is an added risk factor. Farmers need user-friendly insurance instruments covering production, right from sowing to post-harvest operations and also to cover the market risks for all crops throughout the country, in order to insulate them from financial distress and in the process make agriculture financially viable. Drought prone areas should have a 4-5 year repayment cycle for crop loans, taking into account the management of risk. The scope of Agricultural Insurance Policies should become wider and should also cover health insurance, as envisaged under the **Parivar Bima Policy**. Seed Companies should provide insurance in the case of GM crops.

Compensation for damage caused to livestock, crop or life by wild animals. States must review the provisions and procedures for compensation for human life, livestock and crop damage. Compensation must be paid to affected families who continue to live within the reserves also.

4) RURAL ENERGY: A Comprehensive Integrated Rural Energy Programme during the 11th plan period is needed for meeting the needs of rural families in their totality. Particular attention should be paid to renewable energy technologies like Biogas Plants, Solar Photovoltaic Technology, Biomass Gasification, Mini Hydro Power and Biofuel Technologies. The availability of energy is also essential for non-farm enterprises including agro processing.

Social Security :

5) Coverage of farmers, particularly small and marginal farmers and landless agricultural workers, under a comprehensive National Social Security Scheme is essential for ensuring livelihood security. Such a scheme should take care of expenses upto a ceiling for hospitalization in case of illness of a family member, maternity, life insurance and old age pension. This should also include protection from occupational hazards. In addition, the subsistence allowance for fisher families during the "closed season" period should be at least Rs.1500 per month.

Indian Trade Organisation

6) An **Indian Trade Organisation (ITO)** should be established to help the Government to operate a Livelihood Security Box and link global policies with local action in a manner beneficial to farmers

There is need for an Indian Trade Organisation (ITO), that will safeguard the interests of farmer families by establishing a Livelihood Security Box to ensure fair trade. The Livelihood Security Box should have provision to impose quantitative restrictions on imports and or/increases in import tariffs, under conditions where imports of certain commodities will be detrimental to the work and income security of large numbers of farming families. It should be emphasized that **there is no level**

playing field between the capital, subsidy and technology driven mass production agriculture of the industrialized countries, and the “**production by masses**” agriculture of India characterized by weak support services, heavy debt and “resource and technology poverty”. An **Indian Single Market** will also help to promote farmer-friendly home markets. The bottom line of our trade policies in agriculture should be the economic well-being and livelihood security of agricultural families

TO MEASURE ECONOMIC CONDITION OF THE FARMER TOO

7) Agricultural progress should be measured by the growth in the net income of farm families. Along with production growth rates, income growth rates should also be measured and published by the Economics and Statistics Directorate of the Union Ministry of Agriculture

TO MINISTER TO WELFARE OF FARMERS ALSO

8) The Ministry and Departments of Agriculture both in the Centre and States may be restructured to become **Ministry / Department of Agriculture and Farmers' Welfare** in order to highlight their critical role in ensuring the income and work security of over 600 million members of India's population. **Leading farmers should be inducted at the senior level in the Ministry for specific tasks and specific periods.** This will help to change the “beneficiary” mindset in agricultural planning to one of regarding farmers as innovators, policy planners and life-givers.

Agriculture not just as a food producing machine for the urban population, but as the major source of skilled and remunerative employment and global outsourcing hub.

TO INCLUDE AGRICULTURE IN THE CONCURRENT LIST

9) Central and State Governments to consider seriously the question of including Agriculture under the Concurrent List in Schedule VII, Article 246 of the Constitution. Important policy decisions like those relating to prices, credit and trade, are taken by the Government of India (GOI).

TO ENTRUST RESPONSIBILITY TO PANCHAYATS

10) Article 243 G of the 11th Schedule of the Constitution (73rd Amendment) Act, 1992 entrusts Panchayats **with responsibility for agriculture including agricultural extension.** They will have to be empowered with the needed information, training and tools for discharging this responsibility. At the moment there are about 2,25,000 panchayats in the country. The problems facing Indian farmers are generally dealt with in an aggregated manner – i.e., taking into consideration the problems of over 100 million farming families as a whole which make them appear formidable.

However, if such problems are disaggregated and dealt with by Gram Sabhas and Panchayats, location-specific problems can be attended to speedily and effectively. Therefore it is time that the provisions of Article 243 G are implemented, both in letter and spirit.

TO CREATE AGRI RISK FUND

11) An **Agriculture Risk Fund** should be set up to insulate farmers from risks arising from recurrent droughts and other weather aberrations,

TO SET UP NATIONAL BOARD

12) Government to set up a multi-stakeholder **National Food Security and Sovereignty Board** chaired by the Prime Minister ,

TO SET UP STATE LEVEL FARMERS' COMMISSION

13) Every State Government should set up a **State Farmers' Commission** with an eminent farmer as Chairperson. The membership of the Commission should include all the principal stakeholders in the farming enterprise. Such Commissions should submit an Annual Report to be placed before the respective State Legislature for discussion and decision.

Farmers of the future:

14) **Increase in small farm productivity and creating multiple livelihood opportunities through crop-livestock integrated farming systems as well as agro-processing and value addition to biomass have become urgent tasks for increasing farmers' income.**

15) **Rural Non-Farm Livelihood Initiative** for rural areas The initiative could have as its core a more market oriented and professionalized KVIC and a restructured and financially strengthened SFAC and bring all rural non-farm employment programmes

16) **Prime farmland must be conserved for agriculture** and should not be diverted for non-agricultural purposes and for programmes like the Special Economic Zone.

Some other recommendations:

Wherever feasible, landless labour households should be provided with at least 1 acre per household, which will give them space for home gardens and animal rearing

10% increase in the present level of water use efficiency in irrigated projects may help to provide crop life saving irrigation in large areas

establishing **Livestock Feed and Fodder Corporations at the State Level** for ensuring availability of quality fodder and feed. Such a Corporation

SEEDS

Women SHGs can produce hybrid seeds on contract for seed companies, with proper technical guidance and training in seed technology. In the case of new varieties, foundation seeds could be provided to SHGs.

SOIL HEALTH

Every farm family should be issued with a Soil Health Passbook, which contains integrated information on the physics, chemistry and microbiology of the soils on their farm.

Support Services for Women:

A **Gram Panchayat Mahila Fund** should be established to enable SHGs and other women's groups to undertake community activities that help to meet essential gender-specific needs. *Joint Pattas* for both houses and agricultural land are essential for women to get access to credit with alternative collateral till the *pattas* are issued

Extension, Training retraining and retooling of existing extension personnel, promote farmer to farmer learning

Jai Kisan

Mahatma Gandhi preferred to be known as a farmer, while signing the Visitor's Book of the National Dairy Research Institute at Bangalore in 1927. Let us prove worthy of his trust that India will care for its farmers.

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