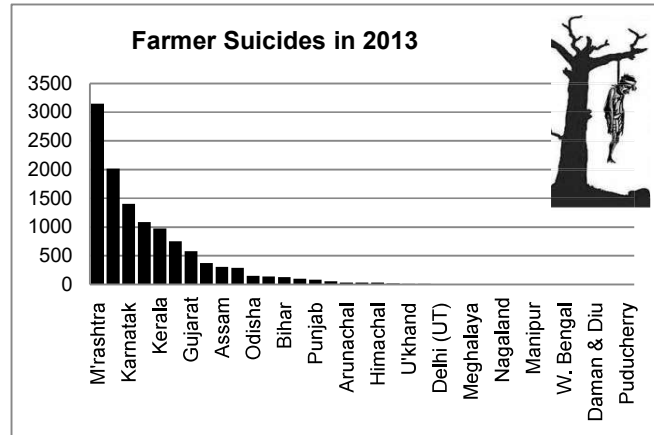


What is the Crisis in Agriculture?

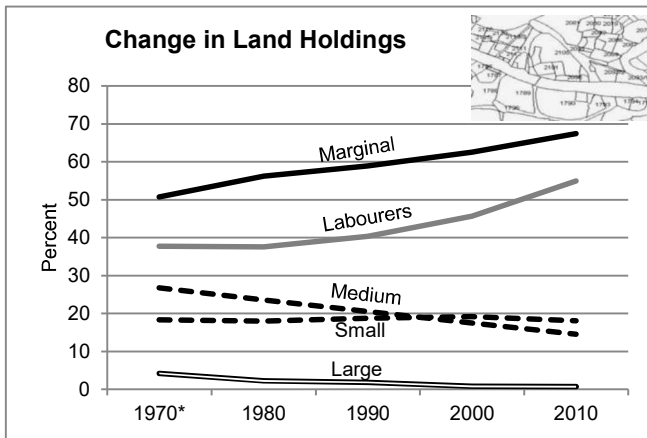
The farmers of India are marching to Delhi on November 28, 2018 to demand fair prices, just wages, employment, affordable education, health care, nutritional security and liberation from debt. They are asking that a joint session of Parliament be specially convened for 21 days to discuss the agrarian crisis. Should we not ask what is this crisis affecting 70% of our people, that affects everyone?

1. Suicide deaths

Over 3 lakh farmers have committed suicide in India between 1995 and 2015 - this may be an underestimate. Replies in Parliament show that 13,754 farmers killed themselves in 2012; 11,772 in 2013; and 12,602 in 2015: mostly owing to economic distress. Indebtedness was responsible for 38.7%, while crop failures or the inability to sell produce led to 19.5%, of suicides. Maharashtra led the way with over 1/4th of the total, with Andhra and Karnataka following. More than 43% of farmers who killed themselves in 2015 had small holdings.



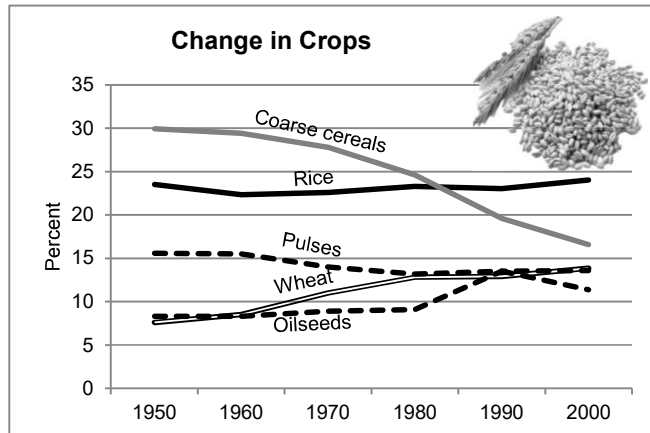
2. Change in land use



There has been a huge change in land ownership in the 60 years from 1951 to 2011, with cultivators going down from 72% to 45% of the rural population, and farm labourers going up from 28% to 55%. Within farmers, in the 40 years from 1971 to 2010, marginal farmers (plots less than 2.5 acres) went up from half to two-third; small farmers (2.5-5 acres) remained the same; medium (5-25 acres) and large (with over 25 acres) farmers declined by between half to three-fourths. Thus, as plot sizes have become smaller and smaller, families have moved from farming to farm labour.

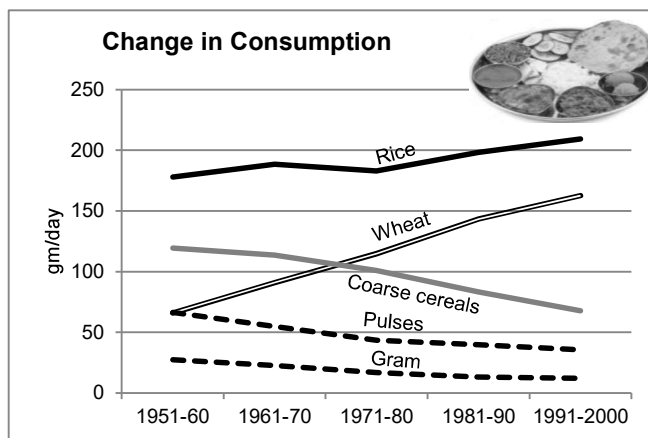
3. Change in crops

As plots have shrunk, the use of land, water, and chemicals has become more intensive, replacing coarse cereals and pulses with wheat and oilseeds. In 50 years (1950-2000), rice has remained almost constant on one-fourth of the land; but wheat and oilseeds have both doubled; coarse cereals have halved; and pulses have declined by one-fourth. Fertiliser use has increased 24,000 times; pesticide use has increased 160 times. Remember that cotton needs 2 times, rice 2½ times; wheat 3½ times, and sugarcane 4 times more water than other crops in the same season.

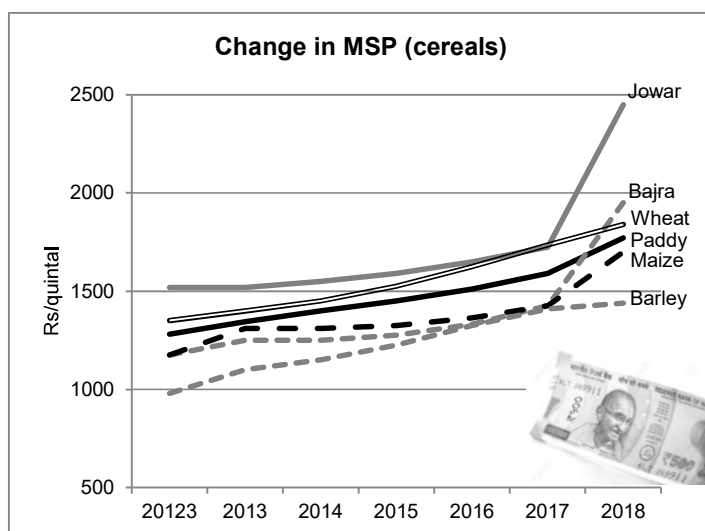


4. Change in foods

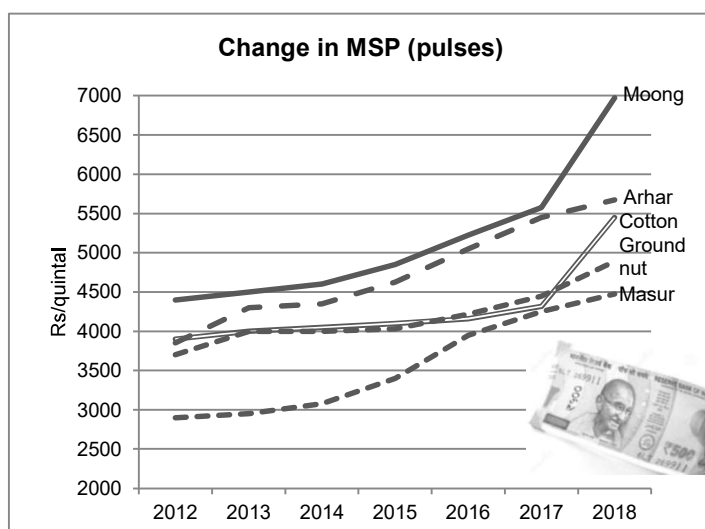
These changes in farm size, crops, the intense use of water and poisonous chemicals, and loans have changed the cost of farming as well as what Indians eat. The daily consumption of fine rice has increased slightly, and of fine wheat 2½ times; but declined by almost half for nutritious coarse cereals, gram, and pulses (all of which also need the least water). In 2004, half our expenditure was on food: of which fine cereals cost one-third; milk & milk products 8%, vegetables 6%, edible oil 5%, egg fish & meat only 3%, and fruits 2%.



5. Support Prices



The key question is: are farmers and farm labourers and their families able to eat the food they themselves produce? For this, one has to look at the Minimum Support Price (MSP) for food crops that the government offers every year, and the big increase that was promised in 2014. For the basic cereals there has been a steady rise of about Rs.70 per quintal per year (less than 11%) for five years from 2012 to 2018 for paddy, wheat, and barley. Only in 2018 were the MSPs increased for jowar, bajra, and maize by 42%, 37%, and 20%, but even this is less than the 50% increase promised in 2014.



For pulses and other cash crops that are mainly grown for sale there has been a similar trend. For arhar, groundnut, and masur the annual increase in MSP has been around Rs.200 per quintal (5-8%) and no change is reported for 2018. But only for moong and long staple cotton MSP was suddenly increased in 2018 by 25% and 26%.

In other words, there is no crop where the MSP has been increased by 50% and most of the crops have an annual MSP increase between 2% and 11%. Only for bajra has there been a healthy increase of about 40%. Thus it is clear that the farmer is not getting the promised minimum price for his produce.

It is also worth remembering that with the same amount of land and water, farmers could grow 2 to 4 times more coarse cereals and pulses, that are healthy, rather than sugarcane, fine wheat and rice.

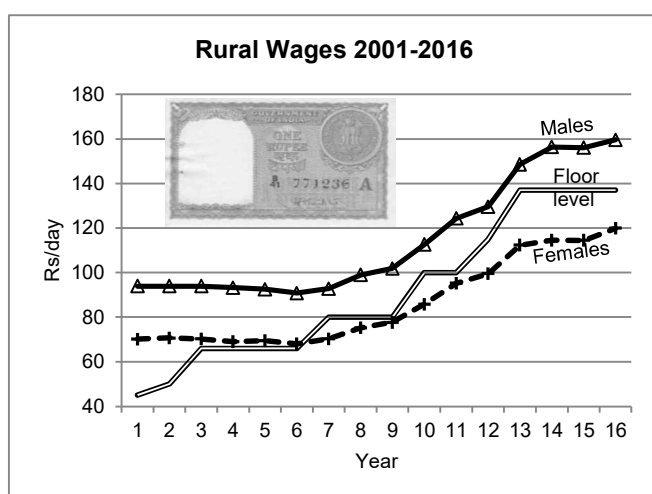
6. Real Prices

- Minimum support prices are supposed to cover the cost of production by farmers while protecting the consumer from a rise in prices.
- However, annual rise in support prices never been above 11%, except for jowar, bajra, moong, cotton, and maize in 2018.
- In a survey of mandis in April 2018, Swaraj Abhiyan found that the actual market price for all crops was 21% lower than the MSP.

Crop (Apr 2018)	MSP	Market price
Tur/arhar/redgram	5450	4100-4300
Masur/lentil	4250	3000-3570
Mustard/rapeseed	4000	3300-3659
Barley	1410	1100-1150
Bengalgram/chana	4400	3300-3500
Blackgram/urad	5600	4035-4080

7. Calculating MSP

The formula for calculating MSP used by the government is based on the costs of all inputs – labour, materials, machinery charges, seed, manure, fertilisers, irrigation, insecticides, working capital, fixed capital, taxes, interest, and rent. The key to the value of MSP is the value allotted to *labour*.



Minimum Wages Act was passed in 1948, for *the worker to live*, with medical needs, education, & amenities. A lower **Floor Level Wage** was recommended in 1991, and fixed at Rs.35 per day in 1996. This is revised regularly and reached Rs.176 in 2017, but it crossed the actual wage for females only in 2007.

Using Rs.176 per day as the cost of both hired and family labour, the MSP has been calculated by National Farmer's Coordination Committee at Rs.2422 per quintal of wheat with 15% profit for 2018. This is 32% more than the MSP declared for 2018 (Rs.1840). If this is added to the 15% profit included above, it comes close to the promised 50%.

8. Value of Labour

However, the tripartite 15th Indian Labour Conference held in 1957 had agreed that not only the worker, but also the family must be supported by a **Living Wage**. The formula agreed to by owners, workers, and government was:

- Daily food for a family of four taken as three consuming units at 2700 calories per unit;
- Clothing at 18 yards per year per person;
- Rent for housing as would be given under the subsidised Industrial Housing Scheme;
- Fuel, lighting and other miscellaneous items at 20% of the total wage.

Later, the Supreme Court added the following in a decision given in 1991:

- Education, medical, recreation, festivals, pensions and marriage requirements at 25% more.

If we calculate Living Wages for unskilled workers with this formula for 2018, as has been done by the Confederation of Central Government Employees of Karnataka State (taking wheat at Rs.4700 per quintal), then the average Living Wage comes to Rs 745 per day. This is almost double the recent Minimum Wage declared by Government of Delhi at Rs.399 per day. Such a wage provides the farmer's family, *as well as hired labour*, with food, clothing, shelter, fuel, lighting, transport, education, health, recreation, festivals, old age, and marriage ceremonies.

If this Living Wage is used for calculating the MSP for wheat for 2018, it would come to about Rs.4800 per quintal, which is the same as was used for estimating the Living Wage by the Confederation in Karnataka (Rs.4700). But the advantage of such a calculation is that it not only meets the needs of farmers and their families, but also of agricultural labourers and their families, as well as the urban workers – *and no other subsidies are required*. If such a large number of people get a Living Wage will it not also increase their purchasing power and boost the nation's economy?

9. Other Policies

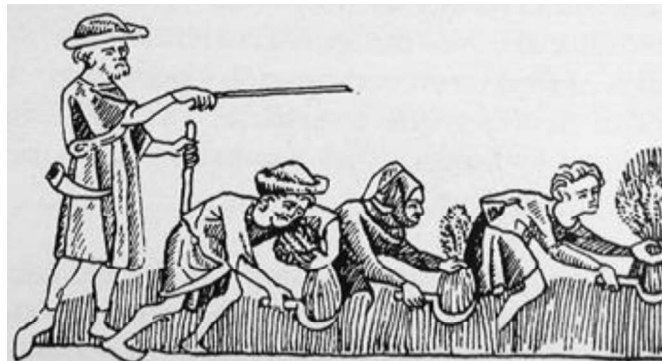
The crisis in agriculture is born because government ignores all these factors of shrinking land, changing crops, rising costs, unfair prices and low wages, and concentrates only on increasing yields. At the same time the farmers are blamed for everything from climate change to air pollution and to hunger deaths. But the crisis is made worse by many other factors that are part of government policy, including the huge thrust towards privatisation and throwing open the economy to the market ever since the first phase of 'reforms' were initiated in 1980.

Land Acquisition: The 1894 Act has been widely used by governments to take away farmers' lands for 'public purpose' ever since colonial times. After Independence, the government acquired land from farmers for building public projects like dams, mines, and roads. But after 'liberalisation' in 1990, when the Act was used for private projects, there was a lot of opposition as land was becoming scarce as landholdings became smaller. So a new Act was passed in 2013 restricting acquisition unless fair compensation had been paid and the consent of landowners obtained. But the government is now trying to relax the restrictions for projects of defence, infrastructure, industrial corridors, and housing.

Crop Insurance: This was nationalised after Independence and it took the governments 27 years, from 1972 to 1999, to provide insurance cover to 7.6 crore farmers who paid a total premium of Rs.531.6 crore, while they claimed 3.4 times that amount. Thus government was heavily subsidising the farmers. But in 1999 insurance was opened up to private companies and they were given the government subsidies for 11 years (until 2010) to draw in 3 times the number of farmers, but premium paid by the farmers went up 11 times, while claims remained at 3 times the premium.

Drought Management: Earlier an area was declared drought-affected, and therefore eligible for relief, when teams carried out detailed surveys to see if 50% of the sown crop had been lost. But, in 2016, policy-makers revised this procedure as "it took too long" and decided to depend upon a "scientific drought monitoring system". This no longer depends on the actual state of the crop, but on the rainfall, area under sowing, difference in vegetation patterns, soil moisture, status of reservoirs and water flows – all of which can be measured through satellites.

Rural Employment: NREGA had promised some hope of providing work in rural areas, with relief to distressed families. The budget for 2018-19 was claimed to be the highest ever at Rs.55,000 crore, but a lot of this money was utilised for clearing payments for 2017-18, since only 43% of the payment to workers had been made then. Already this year, by September 2018, only 14% wage payment has been made to the workers. Many reports from different parts of the country indicate that NREGA is being starved of funds and the computerised system is making payment of wages more difficult.



When farmers are surrounded by all these problems, should we not be asking some questions?

Is the production of costly and poisonous food, which has little nutrition, good for the nation?

Why should the farmer, who gets less than what the family needs, work to feed the nation?

Should these not be considered seriously by the people's representatives in Parliament?

Please sign the petition and welcome the farmers when they march into Delhi

Dilli Chalo - Kisan Mukti March, November 28, 2018 [[contact details](#)]