

The Farm Panel

Concerns on Its Nature and Mandate

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This article builds an argument upholding the significance of the minimum support price, increasing the representation of farmers in the 29-member committee notified by the government, the representation of agrarian states, the livestock sector, and a time-bound functioning of the committee for a meaningful interaction and fruitful outcome.

The one-and-half-year-long historic protest waged by the farmers under the leadership of Samyukta Kisan Morcha (SKM) forced the union government to repeal the three controversial farm laws by passing the Farm Laws Repeal Bill on 29 November 2021. Along with the repeal of the laws, the protesting farmers were also demanding the legal guarantee of procurement of crops at minimum support price (MSP) for the entire country. Eight months later, on 12 July 2022, the Ministry of Agriculture and Farmers' Welfare (MoAFW), Government of India (GoI) notified a 29-member committee with the stated objective of promoting zero-budget natural farming, bringing crop diversification, and making the MSP more effective and transparent. However, as soon as this decision was made public, the farmer organisations and Punjab government started opposing it. Let us try to unravel what is amiss this time.

The committee is not only opposed due to its structure and nature but its mandate too, which is more serious. Apart from the chairperson and the member secretary, the committee has 27 other members, including one member from NITI Aayog, two economists, nine farmers (six from the government and three representatives of SKM), two from the cooperatives/groups and one from the Commission for Agricultural Costs and Prices. Further, three members are from the Agricultural Universities/Institutes of Hyderabad, Jammu, and Jabalpur. In addition, five secretaries of agriculture-related departments of the GoI and the representatives of four state governments, namely Karnataka, Andhra Pradesh, Sikkim, and Odisha, are included in the committee. So far as the nature of this committee is concerned, it was believed that it would be constituted with adequate representation of farmers with the prime objective of legalising the MSP for

farm produce. Unfortunately, the government has diluted this objective, and a large number of government representatives are included in the committee along with six pro-government farmer members. According to the farmer organisations, only three members from the farmers is gross under-representation. It is also quite clear that almost all the members included in this committee were directly in favour of the new economic policies or the three farm laws. The chairperson of the committee, Sanjay Agarwal, had been advocating the three farm laws and almost all other members have been propagating the merits of farm reforms before they were repealed by the assertion and struggle of farmers. Some members of the committee have been also opposing the prevailing MSP and procurement system. Similarly, some were in favour of disbanding agricultural produce market committee (APMC) markets along with a strong support for contract and corporate farming. All this seems to add to the narrative of still favouring the three farm laws by the government. Due to this, the farmers have refused to include their members in this committee.

The most shocking is the deliberate exclusion of the agriculturally advanced states like Punjab and Haryana from the committee. Basically, these are the green revolution regions, which have implications for the new panel due to heavy production for the market. Moreover, these were the two main states that heavily participated in the protest against the three farm laws. It needs deliberation by all concerned as to how it is just or fair to exclude those from the panel who were demanding this committee to be set up. In such a situation, leaving aside the legal guarantee of MSP, it is proposed that the prevailing "open-ended procurement system" be replaced with the "target procurement system." Similarly, overall subsidies and chemical fertiliser subsidy are sought to be reduced through direct benefit transfers (DBT) in the name of promoting natural farming. These acts would put Punjab, Haryana, and other agrarian states at a great disadvantage. One might wonder whether the central government is apprehensive of the representation of these states regarding their concerns lest they

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become a hurdle in initiating the so-called farm reforms. But surely if the current MSP regime is shattered, the economy of these states would be devastated. Naturally, therefore, the Punjab government has opposed this committee and demanded to reconstruct it primarily on MSP with better representation of the farmers and the Punjab state.

Relevance of Previous Committees

The seriousness in the intent of this new committee is questionable too because all previous governments have ignored the reports of such committees and commissions. The recommendations of the national farmers' commission known as the Swaminathan report (GoI 2006) that MSP should be fixed at comprehensive cost (C2) plus 50% as the margin have not been implemented by any government even though it is being raised as a major demand by the farmers. The recommendations of the Ramesh Chand Committee report (GoI 2015a) regarding the fixation of MSP have also been ignored by the government. Likewise, many other farm reports of the states and the central committees have suffered the same fate

since the governments did not pay any attention to them. On the contrary, the government neither formed any committee nor discussed with farmers while formulating and passing the three farm laws in the country. The report of the committee constituted by the Supreme Court regarding these farm laws has not yet been officially made public. These committees and their reports become meaningful only when the intention of the government is coherent.

Significance of Guaranteed MSP

The MSP and public procurement service (PPS) are indispensable for farmers' livelihood, rural income enhancement, national food security, and agricultural growth. But unfortunately, the MSP and PPS are not effective for all the farmers and crops as only 6% of the value of agricultural produce across the country is procured at MSP. The rest face stiff price competition and receive meagre remuneration (GoI 2015b). India's agriculture is massively affected by the policies of agreement on agriculture (AoA) of the World Trade Organization (WTO), which prohibits subsidising agriculture. India, along with other countries, was directed

to limit its agricultural subsidies to the de minimis (10%) of the total value of production of agriculture by 2004. But the peace clause initiated during the WTO (2013) meeting in Bali (Indonesia), set to expire in 2017, protects the developing countries from disciplinary action by the WTO members if the subsidy ceiling is breached for national food security. In this context, the GoI is reducing its farm subsidies for complying with the restrictions imposed by the WTO. As a result, the real income of Indian farmers is declining.

As a ramification of this, the agrarian distress is intensifying and is visible through the mounting farm debt, depeasantisation, and suicides (Singh et al 2022). Our economy has been passing through the phase of deep agrarian crisis and is yet to see any signs of hope or reassurance from the government. Farmers are in heavy debt. Everyday, 2,400 farmers leave farming and 28 commit suicide in our country, as inferred from the statistics alone. It is evident that farming is supported by heavy subsidies worldwide. So India's agriculture sector cannot survive without state support; MSP is a small but important step in this direction.

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Agarwal, the then agriculture secretary, had said in his letter (dated 9 December 2021) to the SKM that the objective of the committee would be to determine that the MSP should be ensured to the farmers. The letter also stated that the prevailing public procurement at MSP will be kept in place. There seems to be a retreat from this as the agriculture minister, Narendra Singh Tomar, has stated, after notification of the aforementioned farm committee, that the central government has not given any assurance to the farmers regarding the formation of any committee to provide legal guarantee of MSP. In such a case, there are bleak expectations regarding the MSP from this panel.

Some Steps for Consideration

Agriculture is the way of life and means of livelihood and employment for a large proportion of the population in India. There is currently a massive food shortage in the world. As our buffer stock has been continuously declining, more production is required for national food security. At this critical juncture, special attention needs to be given to farming and farmers. For the last five decades, the MSP of crops has been fixed and announced, but now it is high time to make a legal guarantee of the purchase of crops from the entire country. In the first round, one or two crops from each state can be procured during the rabi and kharif seasons. Later, the number of crops procured can be increased keeping in mind the storage capacity, crop diversification, and the requirements of the country. But with the central government having reduced the share of agriculture in the total budget and the amount for the purchase of crops in its budget 2022–23, the immediate future seems to hold little promise. Put simply, the procurement of crops at MSP would be both inadequate and ineffective.

While the purpose of forming the present committee should have been to provide a legal guarantee for the procurement of farm produce at MSP, we find that the emphasis of the committee is more on zero-budget natural farming and crop diversification. It is highly possible that the repealed farm laws are

sought to be implemented indirectly through crop diversification and zero-budget farming. We know that natural farming production is more beneficial for agribusiness companies as the corporates make huge profits by selling this output to the rich class. But the poor suffer because of reduced productivity and production. The food crisis created by organic farming in Sri Lanka is not hidden from anyone. Today, there is an important need to develop the agricultural sector with a large public investment along with providing legal guarantees for the purchase of crops instead of benefiting the corporate sector.

In this sense, it is necessary to make this panel more effective so that the desired results can be achieved. The first and foremost issue is the participation of SKM. It is important to increase the representation of the farmers in the committee; otherwise the issue of the farmers' representation will lapse into the usual technical difficulties. Since SKM played a significant role in demanding the formation of this committee, the government needs to consider membership of the committee representing equal participation of government and farmer members. Second, there is a need for special representation from the surplus-producing states, like Punjab and Haryana,

so that they are able to raise their concerns regarding peasantry in the context of natural farming, crop diversification, and MSP. Third, the committee needs representation from the sectors of livestock and horticultural crops. These products have been significantly contributing to the gross domestic product of the country but have been facing volatility in prices. Fourth, the mandate of the committee overlooks some key concerns, especially the need to focus mainly on MSP and assured procurement for the entire farm produce, which may be phase-wise, area-wise, and crop-wise. Last but not the least, the committee has no time-bound nature. There is a dire need to fix the time limit of the committee so that the desired outcome can be achieved within a specific time period.

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