Addressing Agriculture

The new government will have their hands full on addressing challenges in the farm sector

Agrarian distress and the disarray in the agriculture segment would take up a big share of the concerns of the newly elected government. It was the same government that braved the ill-will of the farming community during their previous tenure. It will also be interesting to see what the budget has in store for agriculture as the due date to deliver on doubling farmers' income, 2022, falls well within the tenure of this government. So far, there has been no respite in the situation of farmers, as farming has increasingly turned economically less remunerative and unpredictable.

In the last few years, India has witnessed many climate induced anomalies. From cyclones to flooding to drought, agriculture has borne the brunt of the climate and so have the farmers. Today the biggest threat to the crops planted is the climate itself. Erratic weather phenomena and incompetency in dealing with this have damaged large areas of farms. Serious initiatives must be taken to climate proof agriculture. Assuring irrigation through parched seasons by conventional and non-conventional methods can drought proof perennially dry regions. So also, investing in flood tolerant or drought resistant varieties. A programme must be envisioned that enumerate the ways to climate proof agriculture, and budget allocation towards the same could further reiterate the relevance of climate change.

With the government's focus on the agriculture sector to double farmer's income by 2022, it would be the right time to persuade the states to enact the model Agriculture Produce Marketing Committee (APMC) Act drafted years ago. The objective of the model Act is to keep fruits and vegetables out of purview of the mandis, abolition of Aarthia commission and permission for hassle free inter-state trade.While some states followed the act, others have not. As more states join the act, farmers in the state can find more markets and better profits. Also, the government might have to take a policy decision whether to abolish the Essential Commodities Act (ECA), a tool used to prevent hoarding and price rise. The ambiguity and open-ended policy to invoke it anytime on any commodity, dissuades traders from buying agricultural commodities beyond a point which depresses the mandi prices, and is one of the factors of farm distress.

One of the biggest problems that the farmers have encountered in the last few years is bumper production. Without proper means of storing the harvest in a healthy condition, all that the farmers could do, is to sell their produce at depressed prices. The next budget should focus on building warehouses and granaries. Cold storage and cold transport are also important. Public private partnership route can be availed to maximize their presence and upkeep. Food processing to a large extent can also address the problem of excesses. Promoting food processing can increase demand, shelf life of excess produce and thereby income of farmers. Farm exports can be promoted and the taxation issues have to be resolved.

Keeping 'Increasing farm incomes' as a central strategy, farmers have to be encouraged to diversify their income basket. Besides their key crops, small and marginal farmers should be encouraged to take up allied farm activities like animal husbandry, fishery or poultry. Recycling their farm waste into more productive options and increasing the profitability of the farm as a whole must be the key. Stubble burning which has become a recurrent phenomenon must be dealt with an iron hand this time. Farm waste management should be made a priority.

The budget should make generous allocation for research in the country. Agriculture progress is contiguous upon research and extension. So far the allocations made to this area have been far from satisfactory. The government should this time take an unambiguous stand on GM technology. The authorities cannot ignore this powerful technology and fall prey for populist agenda. These varieties are well equipped to survive the new challenges of pest and diseases.

Agriculture is going through a difficult phase. Hopefully the new government will address the challenges and realize their vision of doubling farm incomes.

Seeds of Discontent

Farmers defy ban on GM crops by sowing them

Seeds of discontent were sown in Maharashtra when Shetkari Sanghatana, a farmers' body sowed seeds of banned genetically modified Herbicide-tolerant cotton in a village in Akola district. As a mark of protest against the government's ban on Genetically Modified (GM) crops, in the presence of around 1,500 farmers, India saw the "Civil Disobedience" programme, under the Sanghatana that had put out saffron and green posters that proclaimed "Freedom of technology is our birthright" and announced its intention to defy the ban on Bt brinjal and HT cotton.

When Bt crops made a landfall in India back in 2002, there wasn't much resistance or protest. The crops of genetically modified cotton was welcomed and as a result India became the world's biggest cotton producer and now has the fifth largest area under GM crop cultivation.Bt cotton seeds account for 40% of the Rs 14,000 crore national seeds market. For a decade or so, Bt cotton was the only GM crop that India cultivated. The scope of the technology was too wide to limit it to just a field crop. Research on other crops on full swing, India imposed a moratorium on another Bt crop in tow, Bt Brinjal. Since then all the GM crops have hit a roadblock. After hitting a record high in 2014, cotton yields and output in India have declined as Bollgard II lost its effectiveness against bollworms. To maintain its position as the world's top cotton producer, India needs to introduce Monsanto's next-generation Bollgard III. However, the current impasse over the GM technology in India, has stalled its adoption.

The farmers in India have experienced the benefits of GM technology, although the outputs have not remained stable. But which crop varieties have been consistent in terms of output and resistance to biotic and abiotic stresses? With years of exposure to the elements of stress, the resistance towards it would wear off. It is nature's course and it has happened over the years with species and varieties. The fittest have survived. Technologies are thus evolved to counter newer threats, newer challenges. If they are stopped midway, the result will be disastrous. Alienating farmers from new technology, once they were given the taste of its benefits, is cruel and unkind.

However, with the involvement of private entities in the research and development of controversial technologies like that of GM, profit motives can grow stronger and ethics may become a flimsy collateral. So we have regulatory authorities like Genetic Engineering Appraisal Committee (GEAC) in India, which places checks and balances in to the system. Unfortunately, their competency have often been questioned and their efficacy has been put to trial by rampant discoveries of illegal cultivation of banned varieties of crops.

But banning the technology for the incompetency of the regulator is irrational and illogical. Instead, what India needs is a better regulator and not abstinence from technology. These are challenging times for agriculture. Diminishing resources, hostile environment and risky markets have debilitated India's farming community. If the government needs to deliver on its promise of doubling farmers' income, India needs to invest in appropriate technology. Blaming the inability of the authorities is not a good enough reason to plunge the country's agriculture into dark ages, which is a lifeline of more than half of the population of the country.

Today what India needs is not a lifetime ban of any technology, but a cloudburst of technology. We need varieties that mature faster, stores longer, tastes better, nourishes better, resist biotic and abiotic stresses. Imbibing the latest tools in science and technology can help us achieve this better. Until then we will have disobediences, protest and defiance.

Cashew sector pulls back

Hike in MIP is expected to incentivize cashew industry

The decision to hike the minimum import price (MIP) for whole and broken cashew was an intervention that was long overdue. The decision to hike the minimum import price of broken cashew kernels by nearly 138 per cent and whole kernels by 280 per cent will augur well for the strained cashew industry.Struggling with cheaper imports, the cashew industry in India was in shambles stifling its lucrative growth prospects.

Once a major exporter of cashew by contributing 60% to the global trade, India has now emaciated into a major importer to keep up with its processing demands. The Indian production of cashew nut for the year 2016-17 was 7.79 lakh million tonnes which is not sufficient to run the processing factories having a processing capacity of 17 lakh MT per annum. India has thus endured imports of low-quality cashew kernel shipments from Africa and ASEAN countries that had hit the domestic industry.While the origin countries impose taxes on export of raw cashew, they incentivise kernel exports. This has resulted in dumping of cheap and low-quality kernels from countries like Vietnam, Mozambique and Ivory Cost. The situation has worsened to a considerable extent as many cashew processing units are closing down.For instance in Kerala, which accounted for 85% of the country's cashew production, more than 700 out of the 865 cashew processing factories, have already been closed, and as a result nearly 2.5 lakh cashew-workers have been rendered jobless.

The existing MIP was too insignificant. Having been introduced in 2013 at the then market price, MIP did not follow suit of the increasing market prices which shot up to 2-2.5 times, touching Rs700-Rs800/kg for whole cashew and Rs650-Rs700 for broken cashew. Some importers taking refuge under various FTAs shipped large volumes of plain cashew kernels (mostly brokens) of inferior quality. The absence of a domestic market was also the reason for the origin countries to sell their products in the Indian market at throwaway prices. These countries with 20-25 per cent incentives exported finished and semi-finished kernels. Taking advantage of this, they dumped kernels in the Indian market as they have an advantage of 45 per cent of the costing compared to domestic processing. Besides, there were instances of wrong declaration on cashew kernel imports as roasted cashew and animal feeds. India was the victim of shoddy policies that were twisted to accommodate the interest of profit seeking importers.

The hike in MIP will surely revive the domestic cashew processing sector and thereby assure job and livelihood for many workers. However, the Indian cashew industry's problems will not be solved by enhancing the MIP alone. We should address our inherent challenges. Indian cashew sector depends on manual labour and as a result the cost of production has increased considerably almost five times as much as in Vietnam. Vietnam's automated processing units produced cheaper processed cashew in huge quantities. Bringing in automation in the processing sector can enhance our competitiveness, bring in sustenance and stability. Besides, India can reduce its dependence on imports and encourage extending cashew plantations to other suitable regions. Sick plantations can be revived and replaced with high yielding varieties. Automation is a crucial factor that determines the profitability of the sector. A suitable package for rehabilitation of the displaced cashew workers is also warranted. Exploring the possibility of enrolling cashew workers under the National Rural Employment scheme is a good option.

Indian cashew commands a premium position abroad on account of its quality. With cheaper imports we are ruining a bright prospect. Although MIP hike was a good intervention, the cashew industry itself has to rein in many reforms if it has to remain competitive.

Maharashtra's dipping Agriculture growth

Economic Survey indicates a dip in agriculture growth

Confirming the worst fears, the state Economic survey endorsed the continuing agrarian distress in Maharashtra. Stating consecutively declining state agriculture growth over four years, annual Economic Survey report has pegged growth in the agriculture sector at just 0.4 per cent for 2018-19.

Advance estimates for 2018-19 in the Economic Survey tabled in the Maharashtra House showed that real GSVA (Gross State Value Added, at basic prices) in Maharashtra's crop sector is actually pegged to register an 8 per cent decline.The real GSVA of the overall 'agriculture and allied activities' sector will record a 0.4 per cent growth, the Survey stated, in comparison to 2017-18 on account of the 13.9 per cent growth in livestock, 16.4 per cent growth in forestry/logging and a 3.4 per cent growth in fishing/aquaculture.The 8 per cent dip in value in the crop sector is the worst since 2014-15, also a drought year, when it fell 16.7 per cent compared to the previous year. In 2015-16, growth in GSVA in the crop sector was a negative 7.6 per cent. In 2016-17 and 2017-18, GSVA growth rate in crops was 25.2 per cent and 0.8 per cent respectively.

The findings of Economic survey are worrying especially since,fifty-three per cent of Maharashtra's population rely on this sector for their livelihood. Poor growth in this sector means putting at stake the marginal sections of the society under further stress. Since the last few years, farmers in Maharashtra has been consistently highlighting their plight and the Economic survey has confirmed their assertions. The decline in agriculture squarely points to poor returns from agriculture. Last year Maharashtra received 73% rain during the year, and rabi crop output, which accounts for roughly one-fourth of total output, was hence estimated to be 65% lower. This suggests a poor irrigation infrastructure in the state and it is surprising, considering the regularity with which the state passes through the drought phases. With not even a quarter of the state served by an irrigation network, and with over 70 per cent of the state's geographical area lying in a semi-arid region, poor performance in the agriculture sector is the direct derivative of water scarcity. With a failure of the 'departing monsoon' as the September-October rainfall is called, the area under rabi crops fell by about 50 per cent in 2018-19 compared to the previous year.

A perusal of the report reveals that among crops that were rainfed, fared poorly. In 2018, production of cereals went down by 35%, while pulses production declined by 6%. However, the crops under irrigated areas have shown a positive growth. Oilseeds, cotton and sugar cane production has gone up by 16%, 17% and 10% respectively this year in Kharif season. Despite the drought, land under sugar cane plantation as well as production has increased this year. Sowing of rabi crop declined by 50% due to deficient rainfall in September and October of last year. The area under cereals, pulses and oilseeds during the rabi sowing season decreased by 56%, 40% and 58% respectively.

More than 800 farmers have committed suicide in Maharashtra upto April this year. Almost 12,000 farmers committed suicide between 2015 and the end of 2018 in the state, the highest in India. The prime issues leading farmers to take this extreme step is mostly related to debt and drought. Almost 25,000 villages in the state are suffering due to a serious water crisis, according to the state government data.

This clearly points to the mismanagement of water resources and inability of the government machinery in either expediting irrigation works or introducing new irrigation projects. The state clearly needs to invest in wise water management. Policies that are founded on water conservation and resuscitation of water bodies are the only means by which the state can be assured of better farming prospects.