

Drifting on food security

The new market-oriented policies ignore a large section of the farming community, says Uttam Gupta

SUDDENLY, there seems to be lot of good news for agriculture. Early in January 1993, a steep increase in procurement of wheat and other cereals was announced. Then, the new agricultural policy was unveiled giving, euphemistically, industry status to this important sector. And now, the amendment to the export-import policy for 1992-97, seeking to confer special privileges on agriculture. Last, but not the least, the removal of restrictions on inter-state/inter-district movement of foodgrains to which the parliamentary committee on agriculture wants constitutional backing.

The reformists may have reasons to be elated as these announcements meet the long-pending demand for agriculture to be made an equal partner in the transition towards free market economy. Interestingly, even those who until hitherto remained wedded to the philosophy of controls in the interest of maintaining overall food security have also become quite receptive to the sweeping changes. Recently, in a seminar, Dr Balam Jakhar painstakingly made an effort to dispel the image of farmers as being only recipient of subsidies and even invited the industry to become equity partners in the development of agriculture.

In the same seminar, speakers wanted diversification of agriculture to be taken up in a big way. The focus was on aqua-culture, horticulture, sericulture besides commercial crops like oil seeds where already substantial diversion of cultivated area from basic staple food has taken place.

Whether the changes would give positive results in terms of foreign exchange earnings, rural incomes and an overall fillip to the development activity and to what extent, remains to be seen. But, one thing comes out quite convincingly — policy makers have started looking at agriculture from an industry perspective. Or else, how could one justify use of new phrases like 'corporatisation' of Indian agriculture or for that matter, spread of equity cult.

Before moving to a new set of paradigms, should we not consider the basic characteristics of Indian agriculture. Essentially, we have a preponderance of small and marginal farmers. Of the 90 million farming families, 75 per cent belong to this

category. And, they grow mostly foodgrains primarily for self-consumption. Although, they account for only about 30 per cent of the cultivated land area, by virtue of their sheer numbers, they are much too important to be ignored. The emerging policy dispensation has only hurt them much less extending any concrete help.

Much has been said about the hike in the procurement prices. Undoubtedly, the increase in January provided adequate compensation to cover the effect of fertiliser price hike consequent to decontrol as also other cost increases. But, how does it help

about the potential gains consequent to full convertibility of the rupee and now the liberalised export import policy. Indeed, the results may look promising in as much as it concerns big farmers or multinational companies (with or without their private sector partners in India) seeking to export grapes, potatoes, tomatoes etc., and a variety of processed food items.

But, what about the farmers who grow only wheat, rice or coarse cereals. The new policy far from giving them any incentive, has hit them adversely consequent to marketisation on the input side.

oblivious of the objective of food security.

For the past few years, foodgrains production has been more or less stagnating at around 175 million tonnes. While we do talk of the need to raise it to a level of 210 million tonnes by 1996-97 and about 240 million tonnes by 1999-2000, this would only remain a pipedream given the radical shift in our approach.

Some time ago, the Prime Minister expressed serious concern over the diversion of acreage under wheat to commercial crops like oilseeds. Instead of initiating corrective action to prevent this and ensure that production of basic staple food is a remunerative proposition, policy signals will only result in aggravation of such tendencies.

Why should Punjab farmers stick to wheat and rice only when better opportunities are available in growing other crops? Why can't the eastern and the north-eastern parts of the country bring up their production levels to reduce dependence on traditional grain-growing belts? Until recently, these questions were being raised in a spirit of supplementing the total effort and indeed required appropriate sequencing under a well-orchestrated plan of action.

Now unfortunately, even before giving the necessary wherewithal to eastern and north-eastern areas to produce what they can, the northern and the central parts are wanting to shed a substantial part of their responsibility. The sudden and radical shift in our policy, putting extraordinary premium on growing crops other than wheat and rice and abetment of such actions will only aggravate this dangerous trend.

The message is loud and clear. While we may seek to benefit from the free market forces wherever possible, under no circumstances we should allow them to come in the way of food security of the country. Appropriate governmental intervention must necessarily stay both at the input as well as the output level to ensure that, on the one hand, foodgrains production remains attractive and, on the other, the majority of our small and marginal farmers are adequately protected. It must not be forgotten that even the US, Japan and EEC, which are the main proponents of free market theory, continue to support agriculture on a much larger scale than India.



those farmers, who do not have a marketable surplus? If anything, they have been hurt due to exorbitant increase in input prices resulting in lower level of fertiliser use.

The removal of restrictions on movement of foodgrains is of no consequence to the really vulnerable group. Even those who have some thing to sell can not be sure of the likely benefits. To be able to fetch a good price in a free market situation requires that the farmer has got the holding capacity, necessary skills and resources for handling, transport and marketing of his crop. It would be too much to expect the small farmers to cope with the situation.

What could the import-export liberalisation offer? A lot is being talked

Until recently, the farmers were getting 'assured' supply of inputs at 'reasonable' prices. This was possible because supplies were largely from the domestic industry and subsidies were given on inputs. Now, subsidies are on the way out and we are moving towards greater import dependence. Unambiguously, this is happening in respect of one important fertiliser, i.e. DAP, even as our own plants are closing down one after another. As such, supplies are likely to become uncertain.

While the new-found approach may have its own merits, we seem to be pursuing it mindlessly to the point of even ignoring the interest of a large section of the farming community in India. So much so, we seem to be