

Maximum support, maximum price

What makes the farmer toil, sweat and battle the elements arraigned against him? And what does he expect of the government? **Vikas Pathak** makes pit stops while tailing the ongoing farmers' yatra through Barwani, Ahmednagar, Nashik and Surat to find out

It is past noon and the Sardar wholesale agricultural market in Surat is bustling with activity. Trucks drive in every minute and so do lorries smaller in size. Farmers arrive in these with loads of agricultural produce to sell. The place has multiple rows of platforms interspersed with streets and parking spots. Each platform is dedicated to different kinds of produce: onion, fruits, vegetables, etc. Things move with clockwork precision. Daily-wage labourers offload the sacks of farm produce from trucks, dumping them in huge heaps on the floor of the platforms. A different set of merchants buys this grain and transports it from here, to be sold in towns nearby. The merchants registered here who act as conduits for the sale take a 6% commission on the produce sold. The rest goes to the farmer, and is delivered in cash on the second or fourth day.

This correspondent – who accompanied the ongoing yatra of farmers' organisations from Madhya Pradesh to Delhi through parts of Maharashtra and Gujarat – took a detour to talk to people at this wholesale market to make sense of agricultural marketing operations.

Ebb and flow of prices

The place is a market seeing daily fluctuations of prices, based on demand and supply. If a greater quantity of a crop comes to the market on a given day and fewer merchants land up to buy it, the price falls. If more merchants come and there is dearth of a commodity, the price rises. Farmers benefit from a higher price and return disappointed if the prices are low. The prices fluctuate even within a day. To sell for a good price is like being lucky in a draw of lots.

Rakesh Bhambre and Sunil Sonone, who have driven down in a rented truck from Daswel village of the Baglan taluka in Nashik district of Maharashtra, have had a hectic day. They arrived here at 2 a.m. Through the morning, they have sold their onions, which were harvested in April, and have managed to get a price of ₹6-7 per kg, which is not bad. They will now head back to their village in a bit. The merchant will send them the money for their produce in cash two days from now, which another truck coming from their village will deliver to them.

The two Nashik farmers say they engage only in farming and have no side work to do. Their annual calendar is hectic. In June/July and October, they sow sugar cane, which requires a lot of water and takes close to nine months to be ready. This year isn't a good one for sugar cane, they fear, as it isn't raining yet. They sow onion in August and also in November. They have brought the harvest of their November crop of onion here, they say. The advantage with onion is that it can also be stored for four-five months.

They also sow tomato in June and July, and the crop takes two months to be ready.

The agricultural process requires a variety of expenses. They need to buy seeds, fertilisers, pesticides and machines on hire for harvesting. They have to pay the bills for power consumed while watering their fields. They also need to hire labour for various operations, from preparing the fields, taking care of the crop to loading the produce on to trucks. Labour charges range from ₹70-100 a day.

These expenses – varying for different crops – are facilitated both by the money they get by selling their previous produce in the market and by borrowing from cooperative banks, nationalised banks and regional rural banks at an interest of around 7%. Sometimes, they have to borrow from private merchants too, at a higher rate of interest on a monthly basis. Most farmers are under debt of a few lakhs, and sometimes borrow from one lender to pay another. A good crop and remunerative prices – a matter of chance – can lead to better incomes. A slump in prices of a crop or erratic monsoon can lead to loss.

The variegated world of farmers

This year, farmers in Nimaad region of Madhya Pradesh and in adjoining parts of Maharashtra – like Nashik and Ahmednagar – are still awaiting rains. If it does not rain for another week, they say, their crops will be damaged. Villages, of course, have farmers of varying means. The richer ones have more land – perhaps 20 acres – and can try three or four kinds of crops in their fields. If one fails, they believe the other will not. The smaller farmers find it harder to get by.

The truck in which Bhambre and Sonone brought their produce to Surat has been hired from a bigger farmer of their village, who owns trucks and hires them out.

These two farmers – each owning 7-8 acres of land – however spend the year in farming, both with their family labour and hired daily wagers. The poorest in villages own no land of their own, and work on the fields of others.

The wealthier farmers have also diversified into related occupations and other businesses as an additional cushion, as farming is not very lucrative and yields and prices are unpredictable. The poorest in the agricultural world either work others' fields or do additional work as rickshaw pullers, construction



Under the onion skin: "The journey shows one thing – that farming, which sustains more than half of India's population even if many of them also do other things on the side for supplementary income, is not a lucrative proposition." (Above and three-column image below) Pictures show the Sardar wholesale agricultural market, in Surat, Gujarat. • R.V. MOORTHY



workers, etc., sometimes becoming poor migrants. Hours before reaching the Surat market, this correspondent visited Koribhartna village near Surat, where daily wagers were working the fields of a richer farmer where okra was being grown. Dinesh, a daily-wage labourer of the village with no land of his own, said he works through the year at a daily wage of ₹100. He gets one or the other agricultural work through the year, he says, but adds that the money he earns is not enough for maintaining his family well.

Pandane village in Nashik district is situated close to a dam from where it gets what villagers complain is sand-laced water. Pradip Shivaji Chitte, whose joint family has 7.5-acres of land,

of which he works on just 2.5, has opened a small shop dealing in seeds, fertilisers and pesticides. He rented this shop two months ago in a bid to diversify beyond farming. "I invested ₹1 lakh in this; some of my friends also contributed," he says. "But till now, I am just being able to break even." Chitte says he is under ₹16-lakh debt and practises grape farming in the village. "In our village, half the farming is grape farming; the rest is of all other crops," he says.

Just preparing the fields for the crops entails a labour charge of ₹20,000 per acre, he claims. The fields are prepared from September and the harvest comes only by January, before which the crop requires a lot of care. "The total expense, including labour, fertilisers and pesticides, comes to ₹1.6-1.7 lakh per acre. The selling of the produce begins from January and it sells at about ₹18-25 per kg. If one subtracts the expense borne from the selling price per acre, the profit is ₹45,000-50,000. This is the annual income for growing grapes per acre." Chitte says bigger farmers aiming at exports prepare their fields a month earlier – they also get higher prices when they sell their produce, he adds.

Farmers in the Nimaad region of Madhya Pradesh also grow hybrid crops like Bt cotton.

The same is the case in neighbouring

districts of Maharashtra like Nashik. Jagdish Patidar, who came to Barwani for a day from Maheshwar in Madhya Pradesh to take part in the ongoing rally of farmers' organisations, says he too grows Bt cotton, which requires more supply of water and higher input costs. What they look for is higher prices for their produce.

"Bt cotton costs more but is high yield and therefore more lucrative for farmers. When a new variety that is advertised as high yield comes, farmers will take to it for profits," says Lakhwinder Singh, an agriculture expert at Punjabi University, Patiala. Many farmers also took to it as it was advertised as resistant to bollworm, a pest that affected cotton. However, Singh cautions, the pest resistance is only for three-four years.

Agitations and farmers' yatra

The ongoing farmers' agitations are demanding state support for making farming more lucrative. They demand that the M.S. Swaminathan Committee's recommendation – that the government-announced minimum support price (MSP) should be 1.5-times the cost of production – be implemented. They are also demanding farm loan waiver, as many farmers are under large debt. However, a loan waiver does not ease



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H.M. DESARDA
Former Maharashtra State Planning Commission member and economist

the burden of loans taken from private parties.

Till July 14, a Kisan Mukti Yatra involving several farmers' organisations has been moving through Madhya Pradesh, Maharashtra, Gujarat and Rajasthan, addressing villagers and articulating these demands. The participants argue that while input costs for farming have been rising, the rise in MSP has been sluggish.

Swaraj Abhiyan leader and academic Yogendra Yadav, Narmada Bachao Andolan leader Medha Patkar, Maharashtra farmer leader Raju Shetti, the All India Kisan Sabha, Kisan Sangharsh Morcha, Bhartiya Kisan Union of Punjab, and other organisations are taking part in the yatra, which will converge on Jantar Mantar in Delhi on July 18. It began in Madhya Pradesh, with the farmers' leaders being detained for a few hours by the police, and passed through Indore, Barwani – visiting village Barda, which is in the submergence zone of the Sardar Sarovar dam – Nashik, Vyara and Surat in Gujarat, Bhilwara and Jaipur in Rajasthan, among other places. There are regular halts to interact with people, with crowds varying from a few hundred to a few thousand turning up.

The yatra comes close on the heels of the deaths of six farmers in police action in Mandsaur, Madhya Pradesh, and a strike by Maharashtra farmers early in June, when they decided to let their farm produce and milk perish but not sell it in the absence of lucrative prices. The strike was broken in 48 hours after talks with the Maharashtra government, which made a few announcements: loan waivers for small and debt-ridden farmers; a Bill to criminalise buying produce at rates below the MSP; the setting up of a State Commission for Agricultural Costs and Prices on the lines of the Centre to look into MSP issues. The State government also offered to subsidise farmers' power bills, hike milk prices and set up cold storage chains for preserving the produce.

Making farming sustainable

The journey shows one thing – that farming, which sustains more than half

of India's population even if many of them also do other things on the side for supplementary income, is not a lucrative proposition. Farmlands have become smaller over generations and, except for large farmers, many do not find it rewarding but find themselves ill-trained for other occupations, says Patidar, the farmer from Maheshwar. Farmers, however, do have an emotional attachment to farming.

Their fortunes depend on many things: rains, prevailing prices, and how indebted they become. Lakhwinder Singh says that the answer to the agrarian unease is either subsidies on input costs or higher prices. He says farmers need to spend not just on farming but also on services like education and health. Unless their expenses go down or incomes go up, discontent is expected, he adds. "Everything from health and education to seeds that were public services once are private services now. Farmers get into this loop of rising costs of living," he explains.

"In Punjab, the government purchases all wheat and rice crops at the MSP. This, being scientifically calculated, can enable farmers to have some incomes that make agriculture meaningful. But the same procurement guarantee applies neither to all crops nor to all States, which makes farming less lucrative as an occupation," says Lakhwinder Singh.

Farmers in Madhya Pradesh say that government procurement centres are opened late, often a month and a half after a crop is ready. But farmers cannot store it all in their fields near their homes. They try to sell their crop soon after harvest to merchants, and often get prices below the MSP. "If government centres were to start as soon as the harvest came, we would get better prices," says Patidar.

The troubles don't end here. Patidar says not all the produce is bought by these centres; it may be rejected on grounds of quality. Suraj, a young farmer from Naraula village in Barwani district, says that there is much paperwork in these centres to ascertain the quantity of land on which the crop was sown, the yield, and to verify that the produce indeed belongs to the farmer who brought it.

"Unless there is a procurement guarantee and the farmer can count on the government to purchase his produce, the MSP has little meaning on the ground," says former Maharashtra State Planning Commission member and economist H.M. Desarda. Lakhwinder Singh adds that if the government undertakes to purchase all major crops at the MSP, farmers will be better off.

But will this not push prices of farm produce bought by consumers upward? Lakhwinder Singh disagrees. He says the large number of middlemen in the supply chain do not anyway let vegetable and grain prices reflect the prices at which farmers are selling them. The long-term answer to farmers' indebtedness, he adds, is a rise in their incomes.

It may become a heated debate politically, but an answer to non-remunerative farming may take longer to come.



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