



Shetkari Sanghatana

(Freedom For Farmers!)

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Freedoms for Farmers : Key to Revamping the Agro-Economy

The Bharat Utthan Program proposed by late shri Sharad Joshi



"In Agriculture, I have stood for nothing but freedom of access to markets and to technology"(Sharad Joshi, July 24, 2009)

The widespread distress and agitation of farmers in many states in India despite good monsoons last year was no surprise to us; as farmers are in perennial and deep indebtedness and many are committing suicides thanks mainly to falling prices of farm produce across the country. The GOI and NDA have now declared its commitment to doubling the farmers' incomes (DFI) till 2022. However there can be no DFI if farm produce prices are depressed, much of which is due to bad politics, adverse Govt policies, restrictive laws and regulations of successive Indian Govts. We are offering here an alternative and truly liberal plan based on the arguments and suggestions by late Sharad Joshi, an ardent thinker and leader of farmers' movement from 1980 onwards and an Ex-MP (RS) from NDA. He was the one who raised the concept of Bharat-India divide. Free-trade regarding land and produce is the key to the problem and restoration of property rights is critical to free trade.

We expect that in the din of protective demands by various factions of farmer organizations, the NDA think tank, policymakers and administrators to discuss and implement the '**Bharat Utthan Program**' for any serious effort on agriculture and farmers.

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Bharat Utthan program (भारत उत्थान) proposed by late Sharad Joshi & Shetkari Sanghatna

| Issue | Proposal | Agency to act | Remark |
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| (A) Immediate issues | | | |
| 1 The falling prices of both kharip & rabbi agro-produce | a) Lift forever the ban /restrictions on all export of pulses, oilseeds, onion and potato etc. | Ministry of commerce to restrain use of the Foreign Trade Act | You can't rob the farmer to favour consumers. Farmers are equal citizens of this country and need to live and prosper. |
| | b) Time bound and calibrated lifting of import restrictions, including for sugar | As above | Comparative advantage is the abiding principle of free markets. |
| | c) Prohibit and stop use of ECA1955 for agro-produce or scrap ECA. | Ministry of Civil supplies | ECA has been a killer act for Indian agro-economy, forcing market losses and farmer-suicides. |
| | d) Ban the current practice of stock limits for traders. | | Stock limits finally work against farmer-producers and breed corruption. |
| | e) Liberalize <i>Futures-Trading</i> in all agro-commodities | Ministry of Commerce and Ministry of Civil Supplies | Sowing decisions must be based on prospective prices more than past prices. 'Futures Market' will not work unless spot markets are freed from external (government) interventions |
| 2 Farmer suicides in large numbers due to indebtedness | Offer a 10 year moratorium on principal amount. State Govt bears interests after rational audit of loans. Farmers will be happy to pay the return the principal with dignity if they can make profits. | State Governments | Unpaid debts are proximate causes of farmer suicides. And indebtedness is due to deliberate anti-farmer exploitative policies for 7 decades. Even 1991 economic reforms bypassed farmers. Profitable farming (and farm-exit if need be for some) is the only way. |
| 3 a) Falling prices of cattle. | Beef-ban and ban culling of cows & bulls to be lifted with reasonable | Ministry of agriculture | Farmer is the sole owner of cattle property (<i>Pashudhan</i>). Let him/her |

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| | b) Damage by stray cattle to crops & overgrazing | regulation of slaughter houses. | | dispose or keep cattle at will. The ban has thwarted cattle markets and hence even cattle-breeding. |
| 4 | Wild animals causing crop damage | Lift the ban on hunting wild animals attacking crops. | Ministry of forests | Growing numbers wild animals etc. are destroying crops. Poor tribal farmers suffer losses and harassment. |
| 5 | Power-arrears & billing | a) Power arrears to be waived till good quality 24*7 supply is ensured by states. b) Replace billing tariffs linked to HP by proper metering of power. | State Govts through respective agencies | Power supply is erratic and weak. It is anyway left-over power supplied after peak urban /industrial use. 24*7 supply is the key. HP based billing is damaging both parties. |
| 6 | Crop Insurance | Let farmers invest in crop insurance through their incomes. That is the only insurance. Govt support is both temporary & paltry. | | Govt scheme better than before, but no solution until farming is profitable. |
| 7 | APMC | Make free entry for traders with transparency, to ensure fair competition. Modernize APMC. | Agricultural depts. of state Govts | APMC has to compete with parallel trade |
| 8 | Minimum Support Prices (MSP) | a) Do away with MSP system. b) But till real free trade is operative, State Govts can pay the shortfall <i>between MSP and market prices</i> . | | MSP distorts markets and prohibits traders. Determination of MSP is controversial. State purchase of farm-produce is unworkable and prone to huge corruption. |
| 9 | Name change of Agro-Ministry | Make The ministry of farmer-welfare should be renamed to 'The Ministry of Agribusiness' | | This will be paradigm shift in the economy, esp agro-economy |

| Issue | Proposal | Agency | Remarks | |
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| (B) Mid-term reforms: (2-3Y) | | | | |
| 10 | Productivity issues | Need to free technology constraints; esp GM seeds for various crops like legumes, corn, oilseeds including mustard, cotton, brinjal, protein-rich crops etc | Ministry of agriculture, Ministry of technology | Indian farmer can't compete with overseas crops due to denial of constantly competitive technology strides. India's malnutrition also demands better & cheaper proteins. |
| 11 | LARR | Land acquisition should be replaced by land-purchase legislation. Land-Acquisition should be limited to defense and vital public projects. | | State has for long become a middleman for robbing farmers of their lands for any public-private purpose. Farmers can be business partners in infrastructure projects with share of profits/rent/toll/royalties. |
| 12 | Decline in land holding (now at 1.3ha/per family) | a) Need to scrap Land Ceiling Act (LCA), and land holding regulations to integrate and restore viable farm size through purchase/sale etc b) Reform agro-companies' legislation to allow competitive use of land for profits in prevailing markets. | State Govt revenue depts | Declining land-holding makes any farming unremunerative even if better prices are available. Shifting of families to other occupations is possible only if they can sell and capitalize! FOR ALL THIS TO HAPPEN-restore fundamental property rights and scrap schedule IX of the constitution. |
| 13 | Land-use restrictions | a) Farmers must be able to avail of Non-Agricultural land markets; denied them due to several unjust revenue restrictions on land-use. b) No need to restrict land-use except if it is nuisance/ obstruction. | State Govts | Land market must be open to farmers and it should be free for investment from any source. Revenue restrictions and land-use are breeding untold corruption and crime and have been detrimental to farmers. |

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| 14 | Land records | Digitization of land records. Allow vendors to operate with IT tools and modernize land records. | State Govts | Digitization will reduce litigation, widen markets and investment. |
| 15 | Skilling for rural youth | Free the sector of skills-training and institutional facilities. | HRD/skills Ministries | Content development can be cloud/crowd-sourced to credible agencies. |
| | Issue | Proposal | Agency | Remarks |
| | (C) Longer term Issues (3-5 Y) | | | |
| 16 | Infrastructure | (a) Roads: The ongoing work is commendable given the constraints of funds and land-availability. | | (a) Toll sharing with land-owners can facilitate land-availability for major roads. (b) Fragmentation of lands makes internal road-making difficult. |
| 17 | Irrigation | (b) Irrigation-projects to be completed, (c) Start pricing water and share the royalties/profits with contributors of project-land. | | Efficient use of water cannot be ensured unless rational water-pricing is done for cities, industry and farming, with due safety for weaker sectors. |
| 18 | Solar Power | Facilitate connecting solar plants with rural feeders/main distribution system for selling power. | | Solar power supply to agriculture is feasible on large scale; if this is connected with isolated rural feeders and existing transmission system directly to existing motor pumps. Some vendors have offered a proposal. |
| 19 | Warehouses & cooling units | Promote private investment; FDI in retail should be fully open (currently conditional). | Commerce ministry | Govt cannot replace market forces in this area. Need to liberalize and expedite clearances. |
| 20 | Retail market | Promote FDI in retail without source-restrictions. | Commerce ministry | FDI alone can inject strength and vigor in retail, stabilize prices by backward integration and compete with APMCs. But source restrictions and clearance problems will dissuade investors. |

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| <p>21 Agricultural-policy</p> | <p>a) AGRI-BUSINESS should be the main policy shift</p> <p>b) Promote production of pulses and oilseeds facilitating better prices and WTO compatible protection from imports.</p> <p>c) Calibrated climb-down on over-protectionist policies on subsidized and water-intensive crops like sugar cane is necessary.</p> | <p>Agriculture ministry</p> | <p>a) Also India has a high malnutrition and diabetes problem, due largely to lack of pulses/legumes and proteins in diets. We need calibrated policy to correct protein-gap.</p> <p>b) Let the Sugar Industry be competitive, gradually by optimizing protection. The current moves of limited and fine-tuning imports are reasonable.</p> |
| <p>22 Processing of Agro-produce</p> | <p>Promote skills, promote labs and liberalize land use, low interest credit, better marketing infrastructure and policies. FDI in retail is necessary for marketing infrastructure.</p> | <p>Ministries of Agriculture, Commerce, skills and HRD</p> | <p>Vegetables & Horticulture is a vital and rising sector but is perishable and subject to market vagaries. We suffer about 30% losses before reaching markets.</p> |
| <p>23 FCI</p> | <p>Disband FCI for direct cash transfers to BPL for staples including coarse nutritious cereals and pulses.</p> | <p>Ministry of Agriculture/ Ministry of civil supplies</p> | <p>FCI is wasteful, corrupt and thoroughly useless when markets and distribution networks are available.</p> |
| <p>24 Income Tax for farmers</p> | <p>Make I-Tax mandatory for farmers <i>after</i> lifting LCA regime.</p> | <p>Ministry of finance</p> | <p>This will bring farming business on a profit-loss accountability, weed out fake farmers shifting other incomes and overall inform the polity on farm-incomes.</p> |
| <p style="text-align: center;">This is a broad plan of reforms, detailing and time-planning is necessary! We assume that general transport network by rail-road-waterways will be favorable to farmers, and is not mentioned here separately.</p> | | | |

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