

**DRAFT SPEECH OF SMT. D. PURANDESWARI MOS-HRD (HE)
AS GUEST OF HONOUR ON THE OCCASION OF THE DIAMOND
JUBILEE CELEBRATIONS OF THE AGRICULTURAL
UNIVERSITY, BAPATLA. ON 30 DECEMBER, 2006**

Mr. Chairman Sir, respected Dr. Swaminathan and other distinguished guests it is a matter of great pleasure to be present here as a guest of honour on the occasion of Diamond Jubilee Celebrations of the Agricultural University, Bapatla which is one of the oldest Agricultural Universities in the country. I feel particularly elated with a sense of honour and pride in sharing the dais with a leading authority on Agriculture like Dr. M.S. Swaminathan, who is rightly regarded as the father of the first green revolution in India. I have no hesitation in admitting that I am no expert or authority in the field of agriculture. I am just making a humble presentation of my perception of the difficulties experienced by our farmers which are stunting our growth in agriculture which in turn is adversely affecting the overall growth in our country.

Agriculture is a complex subject of study and presents intricate problem most of which require a careful study and deft handling. The big story that the economy's growth numbers tell us is the lost opportunity in agriculture. Driven by manufacturing, which grew 11.3% and services, GDP growth in the first quarter of the last financial year stood at 8.1%. Agriculture grew by only 2%, lower than the 3.8% achieved in the first quarter year before last. If only agriculture too were to move into the buoyant mode of industry and

services, India would clock annual growth well in excess of 9%. The point is not just the arithmetic effect of growth in one component that accounts for over a fifth of the whole on the growth rate of the whole. Growth in agriculture and consequently rural incomes would drive up growth in manufacturing and services much more.

It is an age old cliché that Indian agriculture suffers from two curses. One Aasmani, and the second, Sultani.

Water is one of the essential inputs for all plant life and, therefore, for agriculture. The Indian subcontinent is dependent on monsoon for its water system. Monsoons, by their very character, are irregular, both in their timing and the quantum of rainfall. That makes Indian agriculture a gamble on monsoons. Some years the rainfall is timely and adequate and produces good harvests. In other years, the monsoons may be tardy and short and yet in some other years, they may be long and overabundant. In all cases whether monsoons are late or early, too short or too long, such as not to fit in the specific time schedule requirement of any of the crops standing in the fields, the crops would be bad or below par.

It is not that the farmers are entirely helpless against the vicissitudes of the Nature. If they get some prior notice about the shape of the monsoons, they are in a position to avert a good part of the risk involved by taking preventive measures. The older generations of farmers had their own methods based on experience and tradition that permitted them to have some idea about the nature

of the coming monsoons. That generation is rapidly disappearing and the present day farmers are left at the mercy of the mandarins of the Meteorological Department who have an uncanny ability and infinite capacity for going haywire in their forecasts.

Sir, I remember that in our college days we were told that the bane of the Indian Agriculture is that it has to depend on the moods and fancies of the Rain god. Decades have passed and the world has made phenomenal progress in various fields of science and technology but alas we have not yet been able to free agriculture from the shackles of weather god. Agriculture in India is still the prisoner of the vagaries of monsoon.

The problems and difficulties of the farmers arising out of uncertainty/inadequacy of monsoon have been compounded by the insufficient irrigational facilities, inter state river disputes and the failure of the government to draw-up and follow a proper scheme of water harvesting and reactivating the dried up and drying wells and other water bodies in various parts of the country with the result that water supply to the farmers is woefully inadequate to match their water requirements.

Agriculture prosperity depends on the availability of water and its management. Irrigation investment and institutional reforms for water management will have to be accorded high priority. There are certain projects in my state like the Pulichintala project, which would be a boon. But negligence over the years, has seen an increase in

the construction cost and today the construction cost is any where close to 1000 crores. Such projects with no inter state conflict should be taken up as a national priority.

It is true that there we good years and bad years for agriculture in our country in the past also If farmers got the full advantage of good harvest in good years, they would keep the fat required for meeting the calamity of bad years. Unfortunately, all systems social, economic and political in the subcontinent are so structured as to fleece the farmer in the years of good harvest and not to to to his help in the years of bad harvests. The methods of fleecing have evolved over time gradually in stages from early plunder by bandits to more organized exploitation by the medieval kings and finally to the modern state armory of tipping the terms of trade against the farmer through restrictions on domestic movement, transport, storage, processing and export. It has been the experience of every farmer since decades that agriculture is a losing proposition where returns fall short of costs. Unfortunately, the economists who are in general salaried employees, have tended to ignore all evidence to that effect. Till the time the Union Ministry of Commerce was required to admit to the WTO that India, in fact, had a regime of negative AMS (Aggregate Measurement of Support), no Indian economist ever admitted that the policies of Government of India were in effect detrimental to farmer's interests.

The economic exploitation of agriculture brought in its train poverty, illiteracy, indebtedness, lack of investment in agriculture and

low productivity, which again brought lower yields and larger losses, year after year not to speak of suicide by farmers on a mass scale in different parts of the country particularly in Andhra Pradesh and Maharashtra.

Indian agriculture is thus caught in this vicious cycle of Aasmani and Sultani. It is evident that the vicious cycle can be broken only at the Sultani link by scrapping all instruments like the Essential Commodities Act and all institutions involving monopoly restrictions. Unfortunately, this is one thing that successive governments in the post – Independence era have been unwilling or unable as to do. And, therein lies the rub that makes the agriculture a sector with the stunted growth that it is.

Another equally disturbing trend is the problem of credit flow in agriculture. Despite existence of effective guidelines in this regard, the institutional funds from the banking and cooperative sector are not adequately available to farmers which force them to approach the private sector for agricultural credit at unviable and unsustainable rates leading to heavy indebtedness and high incidence of suicides by farmers. The nature in the form of monsoons is niggardly and the social institutions and the government are tyrannical in denying the farmers access to markets of both inputs and commodities as also to frontier technologies. Thus a combination of Aasmani and Sultani factors are creating havoc and hampering our growth in agriculture sector.

Fortunately, of late there has been a greater awareness among our policy planners that our languishing agriculture sector, is urgently crying for reforms. The Dy. Chairman of the Planning Commission has admitted as much. In a recently published article in the Economic Times on 21-12-06, he has observed: (I quote)

“Rejuvenation of agricultural sector is obviously critical for inclusiveness. Agricultural GDP grew at around 3.6 per year between 1980 and 1996 after which agricultural growth collapsed to less than 2%. This was recognized at the time the 10th Plan was formulated, but it was perhaps assumed that the deceleration reflected temporary factors such as adverse weather, and no basic change in strategy was attempted. It is now evident that this business as usual approach will no do. We need to subject out agricultural strategy to a through revamp. In effect, the 11th Plan must outline a strategy for a second Green Revolution, taking account of new challenges facing agriculture including especially water management in rain fed areas, the need to diversify within crop agriculture and beyond crop agriculture to livestock, dairying, poultry, fisheries, etc., the need to close the knowledge gap in agriculture and the need to develop credit and marketing linkages to support diversification”.

If we really want to revive this sick sector, mere rhetoric will not do. We have to do some hard work to save the farm sector which is the primary source of all economic surplus. That will be possible only when it is allowed to retain a part of the surplus it produces for plough back investment, to make institutional credit available at cheap rates and to let them have free access to frontier technologies which could improve practically. If we aspire for a double digit growth in GDF, agricultural must grow at least by 4%.

Today, global Agriculture is witnessing two opposite trends. In many South Asian Countries farm holdings are becoming smaller and smaller and farmers are suffering handicaps with reference to cost-risk return structure of agriculture. In contrast the average size of farms in most developed countries, is over several hundred hectares and is supported by system of mechanized farming heavy inputs of technology, capital and heavy domestic subsidy. In India nearly 600 million individuals are engaged in farming and over 80% of them belong to small and marginal category. Due to imperfect adoption to local environments, insufficient provision of nutrients and water and incomplete control of pests, diseases and weeds, the present average yield of major farming systems in India is just 40% of what can be achieved even with technologies currently on the shelf.

That agriculture is in crisis is widely recognized, but the strategy to take the next leap forward is yet to emerge. Agriculture growth has suffered due to its over dependence on monsoon and decline in public investment in the past 15 years. In other words agriculture is

starved of resources. Input costs soared and M.S.P's failed to match the rise, agricultural productivity and profitability declined resulting in general distress among farmers. Efforts for agricultural rejuvenation would not succeed unless Panchayats and State Governments are involved in the development process through a scheme of incentives and disincentives. There is no dearth for ideas, plans and programmes, but the need of the hour is determination, focus, direction and effort to implement them. There is an urgent necessity to invest in the whole chain of agricultural activities like providing better inputs at affordable rates, making timely and adequate credit supply reachable to the farmers, at sustainable rates, crop diversification and better post-harvest operations and farmer- friendly crop insurance schemes.

I have no doubt that these and various other issues pertaining to agriculture will be thoroughly discussed in this forum and a broad consensus will be arrived at so that the government could revisit some of the problems afflicting agriculture and preventing its growth.

With these words, I once again thank the authorities of the college to give me a chance to articulate my humble perception on problems ridden farm sector in the country.

Thank you