

3 CPI(M)
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Lies, Deceit
and Demagogy:
The UPA Report
Card in Agriculture



Over 75 per cent of Indians are dependent on agriculture for their livelihood. Thus development of agriculture on the basis of enhancement of the livelihood of the peasantry is critical for the country's development. But the neo-liberal framework of policies followed by successive Governments with an obsession on export driven strategies, has led to a situation of unprecedented agrarian distress.

It is an indication of the utter callousness of the UPA leaders that their boasts of the high growth rates of 10 per cent or more are totally insensitive or oblivious to the reality that the growth rates in agriculture of around 2.4 per cent falls short of even the meager targets set by the Planning Commission. The situation is so bad that the quarter ending in December 2008 shows negative growth of -2.2% of Agricultural GDP for the Rabi season (CSO data).

In the present period of global recession, the falling international output prices and exorbitantly high input costs have only accentuated the severity of the crisis. The stark failure of the UPA Government is evident in tackling the agrarian crisis. An overwhelming majority of the peasantry is finding agriculture unviable. The 59th Round of the National Sample Survey revealed that 40% of the farmers surveyed wanted to quit farming if given an option.

Unfortunately even as farmers under indebtedness and acute distress are committing suicide the Congress-led UPA is turning a blind-eye by remaining oblivious to the possibility of the impact of the global crisis on India. The UPA Government's track record in implementing its promises and the NCMP needs to be looked into to understand the phenomenon of the largest wave of suicides in human history.

NATIONAL COMMON MINIMUM PROGRAMME: TALL PROMISES, POOR DELIVERY

On assuming power in 2004 the Congress led UPA under the pressure of the CPI(M) and other Left Parties came up with the National Common Minimum Programme (NCMP) promising to come up with lasting solutions to the problems of the farmers. But the promises have largely remained unfulfilled. The track record of the UPA is not very different from the BJP led NDA regime. Neo-liberal policies continued even as the

positive policies put forward under the pressure of the CPI (M) and other Left Parties were soon diluted beyond recognition.

FARMERS' SUICIDES: A NATIONAL SHAME

The Promise

> “Will put an end to the farmers’ suicides.”

The Truth

~ In the first 4 years of the UPA regime for which figures are available a total of 69,064 farmers have committed suicide. In other words under the Congress-led UPA Government *one farmer committed suicide every 30 minutes.*

~ According to the NCRB data farmers’ suicides account for 14.4% of all suicides and for the six years from 2002 the annual average has risen to 17,366 from 15747 during 1997-2001.

~ Women farmers are not accepted as farmers as land is normally not in their names. Their existence is often seen only in terms of their relation to the male farmers. Thus countless women farmer suicides are excluded.

~ The much-hyped packages to the suicide prone regions were limited in scope and restricted mainly to Vidarbha alone.

INDEBTEDNESS AND LOAN WAIVER

The Promise

> The Rural Cooperative Credit System will be nursed back to health. The flow of rural credit will be doubled in the next three years and the coverage of small and marginal farmers by institutional lending will be expanded substantially.

> Immediate steps will be taken to ease the burden of debt and high interest rates on farm loans. Crops and live stock insurance schemes will be made more effective.

The Truth

~ There has been a squeeze in farm incomes and dwindling of

employment opportunities. This has led to a phenomenal rise in indebtedness within the peasantry. The 59th Round NSS Survey on Indebtedness of farmer Households conducted in 2003 reported that 48.6% of farmer households were indebted when compared to only 26% in 1991. The trend has only worsened during the last 5 years.

~ Although a positive step, the Loan Waiver Scheme was a delayed response to the acute indebtedness coming only in the fourth year of the Government. According to the Finance Minister it has benefited 36 million farm households out of the 89.33 million farm households in India where a majority are indebted. Small and Marginal Farmers constitute 83.8% of the farm households and they are highly dependent on informal sources. The loans from informal sources, which constitute a bulk of the debt burden, have not been waived.

~ The uniform cut off of 2 hectares (increased towards the end of the term) left out the farmers in the arid and semi-arid regions who have bigger holdings but are among the most suicide-prone.

~ The Scheme also excludes farmers who have paid back even one installment, in what seems to be a punishment for having made the effort to pay back loans even amidst acute distress.

~ The tall claims of the Government on rural credit is questionable given the fact that the inflated figures include loans to agribusinesses like Pepsi, Kelloggs, Hindustan Lever and ConAgra. Loans to corporates, partnership firms and institutions for agricultural and allied activities in excess of Rs.1 crore in aggregate per borrower were also considered as finance to agriculture.

~ UPA decision to treat money-lenders, agricultural traders, commission agents, vehicle dealers and retail petrol dealers as 'Accredited Loan Providers' who will be provided bank loans and allowed to disburse loans to farmers at floating market rates will push farmers into debt-trap.

~ The UPA Government refused to implement crucial proposals of the National Commission on Farmers to reduce the interest rates from 7% to 4% and for the universalisation of the Crop Insurance Scheme under National Agriculture Insurance Scheme (NAIS).

AGRICULTURAL GROWTH RATE AND GOVERNMENT EXPENDITURE

The Promise

- > Public investment in agricultural research, extension, rural infrastructure and irrigation will be stepped up significantly. Irrigation will receive highest investment priority. All ongoing Projects will be completed according to a strict time schedule.
- > Introduction of a special Programme for dry-land farming in arid and semi-arid regions. Watershed and wasteland development programmes on a massive scale.

The Truth

- ~ The rhetoric on increasing public investment in agriculture is not matched by outlays. The Prime Minister announced an additional budgetary support of Rs.25,000 crore for agriculture under the Eleventh Five-Year Plan, which implies additional funds of only approximately only Rs.10 crore per year for the 600 odd districts in the country over the next five years. This is a most shocking inadequacy.
- ~ The budgetary allocation and expenditure of the Ministry of Agriculture from 1999-2000 to 2008-09 reveals a dismal picture both in terms of its spending as proportion of GDP and as a proportion of total Central Government expenditure. The expenditure of the Ministry as a proportion of the GDP and as that of the total Union Budget was 0.18% and 1.12% respectively during 2004-05, and in the recent Budget estimates of 2009-10 it has only slightly increased to 0.25% and 1.57% respectively despite the extraordinary situation arising out of the global recession.
- ~ The expenditure under capital accounts of the Ministry of Agriculture reduced drastically from 10.3% in 2001-02 to 2.62% in 2008-09 out of the total expenditure.
- ~ The share of investment in agriculture has been declining and when compared to total Plan investment of 5.8% for agriculture and allied activities during the Seventh Five Years Plan to 3.7% in the Eleventh Five Year Plan.
- ~ No serious efforts have been made to develop dry-land farming or

develop wasteland and watersheds.

~ Instead of strengthening indigenous research and extension services, the UPA Government has struck a deal with global agribusinesses and has gone for the Indo-US Knowledge Initiative on Agriculture Research and Education which has Monsanto and Wal-Mart representatives as its Board members. This will empower the USA based MNCs to dictate the agenda of agricultural research; orient it towards corporate agriculture and open up Indian agriculture to foreign capital.

AGRICULTURAL PRICES AND PROCUREMENT

The Promise

- > Adequate protection to all farmers from imports, particularly when international prices fall sharply.
- > Government agencies entrusted with the responsibilities for Procurement and Marketing will pay special attention to farmers in poor and backward states and districts. Farmers all over the country will receive fair and remunerative prices. The terms of trade will be maintained in favour of agriculture.
- > Dues to all farmers including sugarcane farmers will be cleared at the earliest.

The Truth

~ The UPA Government's betrayal of the farmers was most visible in its refusal to alter course from the Neo-Liberal policies pursued at the behest of the global trinity of the World Bank-IMF-WTO. The removal of Quantitative Restrictions on imports and stubborn refusal to impose higher tariff rates only shows their anti-farmer character. This is completely against the recommendations of the National Commission of Farmers. This has exposed our farmers to the price crashes in the volatile world market.

~ A Report by the Tata Institute of Social Sciences says: "Not a single support price for the last 10 years has met the cost of cultivation...all crops are being cultivated at a loss to the cultivators. The loss varies from 38% at the minimum to 50% at the maximum. The exception is sugarcane where the loss is minimized at 12%."

~ The suggestion of the National Commission of Farmers to institute a *Price Stabilisation Fund* and impose Quantitative Restrictions on imports has been disregarded by the UPA.

~ The Swaminathan Commission recommendation to compute MSP by taking *cost of cultivation plus 50% (C2+50%) has not been accepted.*

~ In addition to timely fixation of MSP there is need for timely procurement and the FCI as well as other Government agencies involved with procurement should stay and involve with procurement for a longer period.

~ The centres of procurement have not touched many regions especially backward regions where farmers are still forced to sell at low rates to private traders due to the total absence of Government agencies.

~ The Congress-led alliance in Maharashtra which had during the last elections promised to increase the minimum rate for cotton in Maharashtra to Rs.2700/Qtl reneged on its promise by reducing the Minimum Support Price to Rs.1750/Qtl even in the wake of mounting farmers' suicides almost immediately after coming to power. While the present MSP for cotton is Rs.2500/Qtl and Rs.3000/Qtl the cultivating farmers have been demanding Rs.4500/Qtl and Rs.5000/Qtl for cultivation to be viable.

~ Although there has been an increase in MSP of wheat and paddy during the UPA, neither does it give a fair margin to the farmers nor does it even cover the costs of cultivation. Cost of cultivation plus 50% there on (C2+50%) for paddy and wheat is Rs1,500 each. But the MSPs are only Rs 900 and Rs 1,050 for paddy and wheat respectively.

~ Domestic corporates like ITC and MNCs like Cargill were allowed to procure wheat directly from farmers. While farmers were given an MSP of Rs.850/Qtl, the Government resorted to importing wheat at prices ranging from Rs.1400/Qtl to even above Rs.1600/Qtl in 2006-07.

~ The dismally low prices for sugarcane have also led to farmers under distress reducing the total area under sugarcane cultivation. There was no increase in MSP of sugarcane of Rs.81/Qtl even after CACP recommended Rs.125/Qtl. Consequently sugarcane cultivation dwindled with the result sugar mills are closing in February itself.

~ No protection to cultivators of plantation crops and spices from the

volatile world market prices. The need to set up Commodity Boards for more such crops has been ignored.

COSTS OF PRODUCTION AND AGRICULTURAL PRODUCTIVITY

The Promise

> Controls that depress the incomes of farmers will be systematically removed. Farmers will be given greater say in the organizations that supply inputs to them.

The Truth

~ The international prices of urea have increased from US \$110 in 2003-04 to US \$410 per tonne now, i.e., around four times. The price of DAP has increased from US \$183 to US \$922 per tonne, i.e., about five times and the price of MOP from US \$120 to US \$450 per tonne, i.e., nearly four times. The costs of production have increased more than five times in the last five years.

~ Had it not been for the spirited resistance by the CPI(M) and Left Parties, the Government would have succeeded in pushing the Seed Bill in Parliament, which would have subverted the seed rights of the farmers and facilitated monopolization of the seed business in the hands of MNCs.

~ The UPA Government highly subsidized Aviation Fuel even while turning a blind eye on the woes of farmers who are reeling of high input costs. The figures before the recent reduction in prices are too stark to go unnoticed.

<i>City</i>	<i>Diesel Prices Rs/Ltr</i>	<i>ATF Prices Rs/Ltr</i>
Delhi	30.86	27.10
Kolkata	33.21	34.84
Mumbai	34.45	27.86
Chennai	32.82	30.31

~ Government policies of cutting subsidies and not providing adequate prices have had a deleterious impact on productivity and the per capita annual production of cereals has declined from 192 kg in 1995 to 174 kg in 2004-07 and pulses from 15 kg to 12 kg.

LAND ISSUES AND RURAL POOR

The Promise

- > Land to the landless.
- > Fullest implementation of minimum wage laws for farm labour.
- > Comprehensive protective legislation will be enacted for all agricultural workers.
- > Revenue administration will be thoroughly modernized and clear land titles will be established.

The Truth

~ There has been a distinct trend to reverse land reforms and undermine land-ceiling laws. As a result of the agrarian distress, the peasantry, particularly the poorer sections are increasingly being forced to sell their assets including land and livestock. The 59th Round NSS on land and livestock, conducted in 2002-03, estimated that the proportion of landless households at the all India level is 32% compared to around 22% during the 40th Round Survey in 1992. Nothing has been done to reverse this trend.

~ The Government tried to pass the Land Acquisition Act Amendment Bill and the Rehabilitation and Resettlement Bill on the last day of the Parliament bypassing procedure. This would allow market-based land acquisition by undermining the State and people's right to determine land use policies, the right to fair compensation, resettlement and rehabilitation. It was the spirited opposition by the CPI(M) and other Left Parties that stalled the passage of the Bill.

~ Jobs in agriculture are decreasing sharply. Where farm work was available for 122 days in a year in the decade of the eighties, 100 days in 1990s now the Economic Survey figure puts it at 57 days in this decade.

~ According to latest NSSO surveys, 80.6 crores live on a per capita expenditure of Rs. 20 per day, of whom 23.9 crore live on a per capita expenditure of only Rs 9 per day. Most of them are agricultural labourers.

~ Swaminathan Commission recommendations to enact a comprehensive law for agricultural workers, to take care of house sites and minimum wage, enactment of land reform measures and

opposition to policy of building country's food security with imported food grains have been ignored by the UPA.

THE NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

~ Today the Congress is claiming the NREGA as one of their success stories. In reality had the Government's proposals been accepted, the Act would have been useless. It was the CPI(M), the Left parties and other concerned organizations and individuals, which through their struggles outside and within parliament ensured that the extremely weak and inadequate draft legislations by the Government were radically altered.

Amendments to the NREGA Ensured by the CPI(M):

1. Universal eligibility and not only for BPL households.
2. Time bound extension to the whole of rural India; Irreversible guarantee, without "switch off".
3. Statutory minimum wages; Payment of minimum wages under all circumstances, without introducing subjective criteria for quality and quantity of work; The work requirement should be set realistically so that minimum wages can be paid to all.
4. Provision of crèche and other facilities if there are 5 women or more.
5. Bulk of the funding to be from the centre.
6. Mandatory payment of unemployment allowance.
7. 50 per cent of the funds must be devolved to Panchayats.
8. Some flexibility and decentralization in list of permissible works.

~ After the law was passed the Government made every possible effort to cut allocation and curtail the rightful share of the workers. The truth is that behind the back of the Parliament they tried to subvert it.

~ Although the coverage of the NREGS was extended to 596 Districts in 2008-09 from the 330 Districts in 2007-08, the allocation increased only from Rs.12,000 crore in 2007-08 (RE) to Rs.14,400 crore in 2008-09 (BE) which is inadequate. (CBGA Data)

~ UPA wrote to States discouraging them from carrying out revisions in their minimum wage rates.

- ~ It increased the length of the working day from 7 to 9 hours, in gross violation of the ILO Convention.
- ~ It sought to penalize the States that have undertaken pro-worker revisions by having a central scrutiny.
- ~ In May-June 2008, the Government proposed a freezing of wages at existing levels. The CPI(M) and the Left Parties managed to hold this up, but in January 2009, the UPA Government clandestinely pushed through the freezing of wages.

A PEOPLE'S ALTERNATIVE: LEFT GOVERNMENTS SHOW THE WAY

As opposed to the dismal record of the UPA Government, the CPI(M) led Governments in Kerala, West Bengal and Tripura have come up with innovative strategies to improve the conditions of the cultivating peasantry and the agricultural workers.

- ~ In Kerala farmers' suicides came to a near halt following the ameliorative measures of the LDF government.
- ~ Debt Relief Commission was established. Based on its recommendations loans and liabilities of farmers who had committed suicide were written off. *Such families were also given financial assistance of Rs.50,000.*
- ~ Reduced interest rates for agricultural loans in distress hit districts to 2%.
- ~ Agricultural loans upto Rs.25000 were written off in Wayanad District.
- ~ The Kerala government has distributed over 60,000 pattas to landless poor. So far 3300 tribal families have benefited. About 12,000 acres of encroached land was taken over.
- ~ Kerala Agricultural Workers' Pension Scheme provides 5,62,651 agricultural workers with a monthly pension of Rs.250/-. A total of 16,32,259 are also registered under the Agricultural Workers' Welfare Board.
- ~ Procurement price for paddy in Kerala is highest at Rs.1100/Qtl.
- ~ West Bengal continues to perform well in agriculture registering

5.14% agricultural growth in 2007-08, while the national average was 4.5%.

~ West Bengal has accounted more than half (54.5%) of the total number of gainers from land distribution programmes in the entire country. The number of beneficiaries in West Bengal being 29,71,857.

~ An additional 95,000 acres of land was acquired in the 1990s and 94,000 acres redistributed. These figures for the decade of the 1990s account for almost all the land acquired and over 40% of the agricultural land redistributed in the entire country. 30,000 acres of land was distributed among landless families in 2006-07.

~ The total number of gainers from all the various land reform programmes in West Bengal on 15 February 2008, including recorded bargadars (1,510,657) and recipients of homestead land (1,557,151), comes to 50,39,665 beneficiaries.

~ Foodgrains production in West Bengal has grown at the rate of 6 per cent per annum, which is the highest among seventeen most populous States of India. It is the topmost producer of rice, vegetables and fish among all Indian States.

~ Tripura Government has come up with housing scheme for 15,000 tribal families in the last 5 years. Land rights of the tribals have been protected and special programmes for training for gainful employment in agriculture for them have been launched. The Left Front Government of Tripura has ensured that no evictions of tribals take place in the name of clearing “encroachment”.

This is the contrast. Even with the limited resources at their disposal, the three Left led Governments have ensured the protection and defence of the rights and livelihood of farmers and the rural poor.

Whether it was the BJP-led NDA Government or the present Congress-led UPA Government the hallmark of their regimes is the acute distress of peasants and the poor in rural India. What is required is a Government committed to an alternative set of policies.

This can be ensured only by strengthening the CPI(M) and the Left parties. Vote to bring about a secular, non-BJP, non-Congress alternative that shall defend the dignity of the peasantry and people’s rights.

Vote CPI(M)

**Strengthen the Left and Democratic Forces to
Ensure an Alternative Secular Government
at the Centre.**

Vote CPI(M)



Strengthen
Left and Democratic Forces
for an
Alternative Secular Government

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