

CONFERENCE ON MSP, RE-SCHEDULE OF CROP LOANS AND CROP INSURANCE SCHEMES

Venue: The Institution of Engineers (INDIA)
Vijayawada Local Centre

Date: 26th September 2009.

The Government of India have declared the minimum Support Price for paddy along with 24 other crops for the season 2009 -2010 Khariff .

The common variety of Paddy is given a MSP of Rs.930/- per quintal and the Grade "A" variety is given Rs. 980/- .These prices are Rs.50/- more than the prices given for the season 2008-2009.

But the Rain fall for the Khariff season of 2009-2010 is short by 23% on an average in the country, there by nearly 50 million hectares could not be put into paddy cultivation. According to the Hon'ble Minister for Agriculture and Cooperation, GOI Shri Shrad Pawar, it is likely that the price production for the Khariff season will go down by at least 10 million tons or may be more. Because of the drought conditions prevailed during July to September 2009, the farmers who have cultivated Paddy have to incur lot of expenditure to provide irrigation and to manage the crop in addition to the enhanced labor cost. When we have obtained the cost of cultivation for paddy from the different parts of country, it is found that the cost of cultivation has gone up by at least @ rs. 3,000/- per acre over and above the cost cultivation in the previous year.

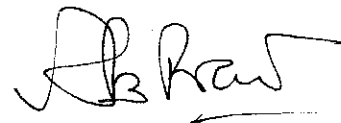
In this background, CIFA and Kisan Service Organization (KSO) A.P., have organized a conference at Vijaywada on 26th September 2009 at 11:00 hours in the premises of The Institution of Engineers (INDIA), Vijayawada Local centre. Hon'ble Minister for Animal Husbandry, GOAP Shri. K.Paradhasaridhi, has graced occasion as a Chief Guest.

PROCEEDINGS

The conference commenced with a welcome address by Shri. Y. Hanumantha Rao, President, KSO. He has requested the dignitaries and the delegates present to pay a Homage to the eminent personalities i.e., Hon'ble Chief Minister, GOAP, Shri. Y.S.Rajashekara Reddy, and the Noble Laurite Dr. Norman Borlaug, Father of Green Revolution in The World, who have expired during September 2009.

Shri. Akkenni. Bhavani Prasad, National Coordinator, (Water Resources), CIFA and The General secretary of KSO (Member of CIFA) has put forward the issue before the Hon'ble Minister & the farmers and other who are present.

The escalation in the cost of cultivation of paddy has been explained in detail and demanded the payment of a bonus of Rs. 100/- per quintal for the both varieties of paddy along with the declared MSP at the minimum level.



The commercial banks & the cooperative banks have been directed by GOI to rescheduled the crop loans taken by the farmers and provide new loans in view of the drought situations existing in the country during July to September 2009. Shri. A. Bhavani Prasad has contended that the rescheduling will not be of any use to the farmer and on the other hand the farmers will be drawn into debt trap. He has explained that if a farmer takes a loan of Rs. 10,000/- and if it is rescheduled for five years, he will be paying Rs. 17,000/- plus penal interest for any delay in making the payments on scheduled dates. In fact, if a farmers losses a crop, he will be loosing not only the crop loan amount and the money additionally invested by him, plus he will have to manage the family till the next crop season in addition to the investments for raising the crop in the next season. Hence, it was demanded that the event of crop loss, the entire interest portion of the amount accrued on the principle amount borrowed and only the principle amount is to be rescheduled to be repaid in a period of 3 or 4 years without bearing any interest.

Normally as and when a crop loan is sanctioned and disbursed, the premium for the crop insurance is deducted by the bank. But, in the event of crop loss for any reason, the settlement of crop insurance claim is taking lot of time for the reasons beyond the control of the farmer.

It may not be out of place to mention that crop loans are short term loans and are to be paid with in six months. But the crop insurance claim for the same crop is being settled after 12 to 18 months. Hence, Shri. Bhavani Prasad demanded that the date of repayment of loan amount and the crop insurance claim settlement date should be co - terminus.

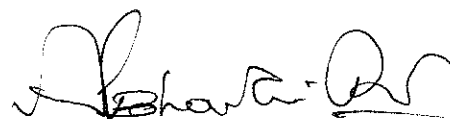
Padama Shri. M.H.P.Rao, Former Director of Nuclear Power Board, GOI has agreed with the views expressed by Shri. A. Bhavani Prasad and also suggested to reduce the cost of the cultivation by undertaking organic farming and by adopting technical improvements in their electric motor sets.

Shri. V.V. Krishna Rao, Former National President Samatha Party have advised the party to forum into groups and undertake their agriculture activities on a cooperative basis.

Shri. K.Pardhasaradhi, Hon'ble Minister for Animal Husbandry, GOAP as a Chief Guest and addressed the gathering. He suggested that the farmers must 'take agitational path' to redress their grievances and he is fully aware of the minimum support price issues raised by the organizers and promised that he will take up the issues with the Chief Minister of Andhra Pradesh and also with the Government of India.

The meeting ended with a vote of thanks by Shri. P.S.R.Das, Secretary, Krishna District of KSO.

Jai Kisan



Akenni. Bhavani Prasad.