CIFA, on behalf of the Farming Community, extends its Heartiest Congratulations to Dr. B.S. Yediyurappa, Chief Minister of Karnataka, for creating a Separate Agriculture Budget.
We, the Farmers of India, have decided to establish an independent Farmers organization of our own.

We believe that all the Farmers of India are One Family and should articulate their issues with One Voice.

We take a pledge today that we will unitedly make efforts for achieving Economic development of Rural India and social equity to the Farmers!

Jai Kisan
Dear Shri P. Chengal Reddy,

Thank you for your letter dated 10th March, 2011 inviting me to be the Chief Guest at the inaugural function of 7th National Farmer’s Conference on 26th March 2011 at Hyderabad.

It would have been a great pleasure for me to attend the conference. However, due to prior official commitments, I regret my inability to do so.

I wish the 7th NFC a grand success.

With regards,

Yours sincerely,

(SHARAD PAWAR)

Shri P. Chengal Reddy
Secretary General
Consortium of Indian Farmers Associations (CIFA)
8/32, South Patel Nagar
New Delhi – 110 008

Office : Room No. 120, Krishi Bhawan, New Delhi-110 001 Tel.: 23383370, 23782691 Fax : 23384129
Resi. : 6, Janpath, New Delhi-110 011 (India) Tel : 011-23018870, 23018619 Fax : 011-23018609
E-mail : sharadpawar.sp@gmail.com
MESSAGE

I am happy to know that CIFA is organizing a National Conference of farmers from various States to identify issues for consideration of Government and other institutions.

Farm Sector growth has become very important for overall economic development. In the export of farm sector produce there is need to increase it substantially. India has edge in export of spices, cereals as well as vegetables. Processing of these products and establishing permanent markets in other countries is essential for stabilization of agricultural produce production and getting better price. The Government of India is making serious efforts and has announced many schemes for the development of the sector. I wish the Conference all success.

(Jyotiraditya M. Scindia)
P. SUDARSHAN REDDY
Minister for Major & Medium Irrigation,
A.P. Water Resources Development
Corporation.

Room No. 202, J-Block,
2nd Floor, A.P. Secretariat, Hyd
Phone Nos.: (O) 040-23451488
040-23454715
(R) 040-23548157

HYDERABAD.
Date 01-03-2011

భేద్ది, సేవా నుండి రాయం చేసుకోవడానికి భేద్ది స్థానంలో ప్రత్యేకించేది. ఈ 26 నందిలో 275 సెంటీమీటర్ల నుండి భేద్ది విస్తరించిన చేసారా.

భేద్ది నుండి మరియు బిగియము బ్రాండింగ చేయబడింది. అయితే కుటుంబానికి జరిగిన ప్రత్యేక ప్రత్యేకత చేయకుండా భేద్ది నుండి నీటి నుండి మేరకు యోగ్యమైనది. నా అంశంగా ఎందుకు ప్రత్యేక ప్రత్యేకత చేయకుండా భేద్ది నుండి నీటి నుండి మేరకు యోగ్యమైనది. అయితే ప్రత్యేక ప్రత్యేకత చేయకుండా భేద్ది నుండి నీటి నుండి మేరకు యోగ్యమైనది. నా అంశంగా ఎందుకు ప్రత్యేక ప్రత్యేకత చేయకుండా భేద్ది నుండి నీటి నుండి మేరకు యోగ్యమైనది. నా అంశంగా ఎందుకు ప్రత్యేక ప్రత్యేకత చేయకుండా భేద్ది నుండి నీటి నుండి మేరకు యోగ్యమైనది.

ఇంకా వాయవ్య పిండిన ప్రతిలో 92 వందల పనితో ప్రత్యేకంగా బాధ్యత ప్రమాణం కొంచేది. ఇక్కడ పిండిన విషయం 44 వందల పనితో ప్రత్యేకంగా బాధ్యత ప్రమాణం కొంచేది. ఇక్కడ పిండిన విషయం 44 వందల పనితో ప్రత్యేకంగా బాధ్యత ప్రమాణం కొంచేది.

ప్రత్యేకంగా, ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా

మీద,

(సూచిచేసిన సేవా)

ప్రత్యేకంగా ప్రత్యేకంగా ప్రత్యేకంగా.
ABSTRACT:

“Government policies over a period have rendered agriculture, as the least profitable vocation in the country.” Standing Committee on Agriculture.

The Economic Survey says that huge investment is needed to make agriculture viable and sustainable.

“...the global experience of growth and poverty reduction shows that GDP growth originating in agriculture is at least twice as effective in reducing poverty as GDP growth originating outside agriculture.”

Direct agriculture credit has significant positive impact on agriculture output. In particular, change in per capita agriculture direct credit (amount outstanding) by one per cent will lead to increase in per capita agriculture output by 0.11 per cent. Source: Abhiman Das et al, RBI, Occasional Papers Vol. 30, No.2, Monsoon 2009

ACTION NEEDED: Separate budget for Agriculture bringing all components into it. Quadrupling public investment in agriculture by enhancing plan allocations to 10% of total XII Plan outlay, increasing credit flow to small farmers to 10% of total bank credit.

And it is imperative to include agriculture in the concurrent list which employs about 60% of the workforce; so that the centre is enabled to fund important production oriented agri schemes are adequately funded.

PART1-Paucity of public investment in agriculture

During the 60 years of Planning between 1950-51 and 2010-11, the share of agriculture in GDP has fallen by more than two third from 55% to 15%, whereas the share of industry has increased from 15% to 28% and the share of services has nearly doubled from 30% to 57%. Further agri GDP growth rate was subject to wide fluctuations.

Despite the shift in sectoral GDP away from agri sector, most of the employment is still in agriculture. This means a disquietingly large increase in income disparities during the last 60 years of planning!

<table>
<thead>
<tr>
<th></th>
<th>Share in GDP</th>
<th>Share in Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>17</td>
<td>58</td>
</tr>
<tr>
<td>Industrial</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Services</td>
<td>64</td>
<td>24</td>
</tr>
</tbody>
</table>

While the GDP from agriculture has more than quadrupled from Rs. 1,08,374 crore in 1950-51 to Rs. 4,85,937 crore in 2006-07 (at 1999-2000 prices), the increase per worker is only about 75% higher in real terms than in 1950 compared to 400% higher increase in overall real per capita GDP.

As per GDP data on sectoral income for the four year period 2007-08 to 2010-11, average per annum growth in non-agri worker income is 7.7% compared to megre 2% growth in the income of agri worker. The ratio of disparity in incomes thus is 1:4. Agri workforce got only one fourth incremental income of what non-agri workforce got.

Thus the disparities in incomes of non-agri and agri workers is continuously widening ever since 1950s despite the so called planned effort at inclusive growth.

ii. “…the global experience of growth and poverty reduction shows that GDP growth originating in agriculture is at least twice as effective in reducing poverty as GDP growth originating outside agriculture.”

By K. Ramasubba Reddy
The Economic Survey says that huge investment is needed to make agriculture viable and sustainable.

But the reality is opposite of what has been stated above. There is continuous decline in public outlays and investments in Agri Sector for over two decades.

*After the economic reforms have started, the government's expenditure and investment in the agricultural sector have been drastically reduced. The expenditure of the government in rural development, including agriculture, irrigation, flood control, village industry, energy and transport, declined from an average of 14.5 per cent in 1986-1990 to six per cent in 1995-2000.

iii. Decline in Capital Formation in Agriculture

Investment in Agriculture - Declining trend in real terms

Even though Agriculture is the life blood of the nation, public investment in agriculture, in real terms, had witnessed a steady decline from the Sixth Five Year Plan onwards.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Rs in Crore</td>
<td>@64,012 @1999-2000 prices</td>
<td>@52,107</td>
<td>@45,565</td>
<td>@42,226</td>
<td>@67,260</td>
</tr>
</tbody>
</table>

Analysis of trends in public investment in agriculture and allied sectors reveal that it declined in real terms (at 1999-2000 prices) from Rs.64,012 crore during the Sixth Plan (1980-85) to Rs.52,107 crore during the Seventh Plan (1985-90) to Rs.45,565 crore during the Eighth Plan (1992-97), and Rs.42,226 crore during Ninth Plan (1997-2002). This trend was, however, reversed in the Tenth Plan (2002-07), with public investment in agriculture of Rs.67,260 crore.

iv. Decline in public investment in Agriculture

Over the years there is a decline in the share of agriculture investment

<table>
<thead>
<tr>
<th>Period</th>
<th>Share in total investment</th>
<th>Share of Public Sector Investment in total investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970s</td>
<td>15%</td>
<td>14.3%</td>
</tr>
<tr>
<td>1980s</td>
<td>11%</td>
<td>11.6%</td>
</tr>
<tr>
<td>1990s</td>
<td>8%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2006-07</td>
<td>7.0%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

v. Growth in Real Public Expenditure on Research and Extension (Per cent)

Rate of growth of expenditure on extension services has declined drastically since the nineties.

<table>
<thead>
<tr>
<th>Year</th>
<th>Research &amp; education</th>
<th>Extension &amp; training</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960s</td>
<td>6.5</td>
<td>10.7</td>
</tr>
<tr>
<td>1970s</td>
<td>9.5</td>
<td>0.00</td>
</tr>
<tr>
<td>1980s</td>
<td>6.3</td>
<td>7.0</td>
</tr>
</tbody>
</table>

During 2004-05 to 2009-10 gross Capital Formation in agriculture and allied sectors relative to overall GDP has remained stagnant at around 2.5 to 3.0%. As a result the share of GCF in agriculture and allied sector in total GCF has remained in the range of 6.6 to 8.2 per cent during 2004-05 to 2009-10.

vi. Plan Allocations:

There has been continuous decline in the plan outlays for Agriculture. During 6thFive Year Plan the share was5.8%; the same declined to 4.9% during 9th Plan and further down to 2.4% during the X and XI Plans.

Central Plan outlays - %

<table>
<thead>
<tr>
<th>Plan</th>
<th>*VIII Plan</th>
<th>*IX Plan</th>
<th>*X Plan</th>
<th>**XI Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-97</td>
<td>5.8%</td>
<td>4.9%</td>
<td>2.4%</td>
<td>2.4%</td>
</tr>
<tr>
<td>1997-2002</td>
<td>5.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002-07</td>
<td></td>
<td>2.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007-12</td>
<td></td>
<td>2.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Plan Documents

XI Plan allocations: For the Eleventh Plan the Department of Agriculture and Cooperation have been allocated Rs. 66,577 crore.

The total expenditure in first four years of XI Plan period will be Rs.42,248 crore which leaves a whopping gap of Rs.24,329 crore.

For 2011-12, the allocation to Agri sector at Rs 14,744 crore amounts to just about 2.5% of the massive Central Plan Outlay of the Government of India of Rs. 5,92,457 crore.

A petty amount of Rs. 2,200 crore was allotted to very important schemes to boost production of vegetables, pulses, oilseeds, millets
and fodder and to bring about second green revolution in the eastern states, which falls far short of the requirements to boost output. The objectives are good with potential to boost output but the allotments are too stingy to yield desired results.

*Thus the long-term neglect of agriculture has affected adversely the level and pattern of agricultural production to an extent where supply-side constraints are leading to inflation. Agriculture sector after decades of neglect needs to be infused with higher levels of investment to ensure 4% Agri GDP growth at least during XII Five Year Plan period.

Action needed: Separate budget for Agriculture bringing all components in to it.

Quadrupling public investment in agriculture by enhancing plan allocations to 10% of total plan outlay, Increasing credit flow to small farmers to 10% of total bank credit.

Any half measures or isolated knee jerk reactions would not only prove grossly inadequate but are bound to fail.

And it is imperative to include agriculture in the concurrent list which employs about 60% of the work force; so that the centre is enabled to adequately fund important production oriented agri schemes as suggested above.

PART 2- strangulated credit flow to small farmers

Investments including bank credit help Agri GDP growth.

Direct agriculture credit has significant positive impact on agriculture output. In particular, change in per capita agriculture direct credit (amount outstanding) by one per cent will lead to increase in per capita agriculture output by 0.11 per cent. Source: Abhiman Das et al, RBI, Occasional Papers Vol. 30, No.2, Monsoon 2009

Government claims that credit flow to agriculture has increased four fold since 2004. How this was achieved by diluting the definition of agri credit is detailed below. Several Commissions and experts including Sengupta and Swaminathan Commissions have pointed out to this dubious means adapted by RBI and the Banks.

1. Major changes introduced in the definition of indirect finance

From the 1990s onwards, the definition of what constitutes indirect finance to agriculture has been widened and diluted drastically. This enabled banks to show higher level of growth of indirect finance.

A. Up to 1993, only direct finance to agriculture was considered as a part of the priority sector target of 18 per cent for agriculture and allied activities. From October 1993, indirect finances have been added in the priority sector target.

It was stipulated that indirect finance to agriculture up to one-fourth of the total agricultural advances would be considered while meeting the priority sector target of 18 per cent for agriculture. However, the indirect finance over and above one-fourth of total agricultural advances was allowed to be reckoned while meeting the overall target of 40 per cent for priority sector advances

B. About one-third of the increase in credit flow to agriculture between 2000 and 2009 was on account of the increase in indirect finance. The sharp growth in indirect finance in the 2000s was mostly a result of changes in definitions effected since late 1990s. These changes broadly involved:

i. The addition of new forms of financing commercial, export-oriented and capital-intensive agriculture; and

ii. Raising the credit limit of many existing forms of indirect financing. Indeed, meeting the task of doubling agricultural credit appears to have become much easier for banks as a result of these definitional changes.

C. The entire growth of indirect finance to agriculture in the 2000s originated from a major expansion of loans with a credit limit of more than Rs 10 crore, and particularly, more than Rs 25 crore.

In the year 2000, indirect finance with credit limit above Rs 25 crore accounted for less than one-third of the total indirect advances to agriculture. However, in 2009, indirect finance with credit limit above Rs 25 crore accounted for 62% per cent of the total indirect advances to agriculture.
D. There was a major rise in the share of direct advances with a credit limit of more than Rs 1 crore between 2000 and 2009. The amount of direct advances with a credit of more than Rs 1 crore formed 5 per cent of total direct advances in 2000; the share more than doubled by 2009 at 10.2 per cent.

E. “Between 1995 and 2005, the share of agricultural credit supplied by urban and metropolitan bank branches in India increased from 16.3 per cent to 30.7 per cent. As a consequence, there was a sharp fall in the share of agricultural credit supplied by rural and semi-urban branches from 83.7 per cent in 1995 to 69.3 per cent in 2005. In 2008, the share of rural and semi-urban branches in total agricultural credit was 66 per cent.”

2A. 1/3rd of Agri loans are given in Urban and metro areas

Farming takes place in rural areas but, for reasons unknown to us, 1/3rd of Agri loans are given in Urban and metro areas and rural areas got less than 40%. More than half of indirect loans are given in metro areas mostly to corporate concerns and categorized as loans to agriculture.

Agri loans - PERCENTAGE SHARE ACCORDING TO POPULATION GROUP - Mar 09

<table>
<thead>
<tr>
<th>Ag Loans</th>
<th>Rural</th>
<th>Semi-urban</th>
<th>Urban</th>
<th>Metro</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>38.7</td>
<td>27.8</td>
<td>15.5</td>
<td>17.9</td>
<td>100</td>
</tr>
<tr>
<td>Direct</td>
<td>47.3</td>
<td>31.9</td>
<td>13.5</td>
<td>7.3</td>
<td>100</td>
</tr>
<tr>
<td>Indirect</td>
<td>9.8</td>
<td>14.1</td>
<td>22.4</td>
<td>53.7</td>
<td>100</td>
</tr>
</tbody>
</table>

In States like Maharashtra, about 58 per cent of agricultural credit was supplied from either metropolitan or urban areas and rural areas got less than 40%. More than half of indirect loans are given in metro areas mostly to corporate concerns and categorized as loans to agriculture.

2B. Small loans of Rs 25,000 and below account for only 8% of the total agri advances

Agri advances of Rs. 1 crore and above constitute 27% of the total agri advances where as small loans of Rs 25,000 and below account for only 8% and the share of small loan dwindling year after year from 52% in 1995 to 24% in 2003 and further drastically reduced to 8% in 2009.

T1. The number of small loans to farmers reduced by 80 lakhs (reduced by 30%)

<table>
<thead>
<tr>
<th>No. of year</th>
<th>A/c in lakhs A/cs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>267</td>
</tr>
<tr>
<td>2005-06</td>
<td>178</td>
</tr>
<tr>
<td>2007-08</td>
<td>196</td>
</tr>
<tr>
<td>2008-09</td>
<td>188</td>
</tr>
</tbody>
</table>

T2. % of Decline in small loans to farmers (Rs.25,000/- and less).

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2003</th>
<th>2007</th>
<th>08 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>59%</td>
<td>52%</td>
<td>24%</td>
<td>11%</td>
<td>10% 8%</td>
</tr>
</tbody>
</table>

Source: RBI- BSR, NABARD

T3. The amount of loans to big farmers is enhanced phenomenally

<table>
<thead>
<tr>
<th>No. of A/cs</th>
<th>Amount (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small loans upto Rs.25,000-2005-06</td>
<td>178,00,000 22,976</td>
</tr>
<tr>
<td>Mar 2009</td>
<td>1,88,00,000 24,681</td>
</tr>
<tr>
<td>Loans Rs.1 crore and above-2005-06</td>
<td>7,300 50,969</td>
</tr>
<tr>
<td>March 2009</td>
<td>10,700 82,638</td>
</tr>
</tbody>
</table>

T 4. Agri Credit-Distribution of amount outstanding by credit limit size-%

<table>
<thead>
<tr>
<th>Credit limit size (Rs)</th>
<th>Share of</th>
<th>amount outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Rs 2 lakh</td>
<td>82.6</td>
<td>67.6</td>
</tr>
<tr>
<td>2 lakh to 10 lakh</td>
<td>4.3</td>
<td>11.7</td>
</tr>
<tr>
<td>10 lakh to 1 crore</td>
<td>7.6</td>
<td>6.6</td>
</tr>
<tr>
<td>1 crore to 10 ore</td>
<td>4.2</td>
<td>6.7</td>
</tr>
<tr>
<td>10 crore to 25 crore</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Above 25 crore</td>
<td>5.7</td>
<td>12.6</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: BSR, RBI
3. Conclusion: In post reform era, there has been studied indifference in extending credit to agriculture. Neither the Government nor the RBI, bothered to reverse the trend despite this being pointed out by Sengupta, Swaminathan and Planning Commissions and by other experts too. Very silently definition of agri credit was broadened which allowed big loans also to be included under this category.

It is very clear that during the period commencing from 1993, the loaning to agriculture sector has been neglected, the RBI was a party to this, wittingly or unwittingly, and banks took cue from this and reduced the share of small loans to farmers.

4. Way forward: Provide 10% of total credit to small farmers and tenant farmers

i) The recommendations of NCEUS that 10% of bank credit should be given to small land holders should be implemented forthwith to better their lot, who constitute 84% of all the farmers and own 40% of the land. Presently their share is less than 5%.

ii) Finance to the extent of 18% of bank credit should be made available as direct agricultural finance for production and investment purposes as was the position obtaining prior to 1993. Indirect finance should not be included in 18% target for agricultural credit.

iii) Higher agri credit limits exceeding Rs 1 crore should be categorized as agri business loans and extended as part of other business loans.
The recent National Crime Records bureau came out with details for the year 2009, putting the figure at 17368 for the whole country saying that the farmers suicides are not region specific but are spread across India. This says Agriculture issue is to be dealt more at the Central level rather than at the state level. In addition, the Center has mandated the National Farmers Commission under Swaminathan to go into farmers problems. If this is a national problem, then who need to look after the 'subject of agriculture' - the Center or the States? According to the Indian Constitution Agriculture, is under the 'State List Subjects' in the Seventh Schedule of Constitution under entry numbers 14, 15 and 16. But the tragedy for the farmers is that though agriculture is in States list; the issues like, Prices, Credit, trade, fertilizers, insurance, MSP, FCI, imports, Exports, Rural infrastructure from Center; all are in Center's control; there is nothing at state level. The Center conveniently throws the blame on States saying that it is States subject and the States saying that they doesn't have any control on so many issues. Both Center and States, over the years, made the subject of Agriculture, a No body's Baby. In the crisis situation that is now engulfing Agri sector, agriculture and Water sector which were placed in States list in British days initially as “transferred subjects” through Montague-Chelmsford reform of 1919 and the Government of India Act 1935 should not be carried as a baggage of those days with us anymore. It is an opportune time that a national debate at a larger level be made to include Agriculture into the Concurrent list.

**Agriculture - Nobody's Baby**

The constitution writers, at that time taking a cue from the pre Independence act of 'Government of India Act, 1935' placed agriculture in States list along with 'water'. The constitution has placed the subjects of administration in three categories. The List I, known as Union subjects contains 99 subjects with legislations, on which Union enjoys exclusive control. This includes the Defence, Banking, Taxes, Coinage, Insurance, Currency, Union Duties, Foreign Affairs etc. The States list is the List II comprising 69 subjects providing legislative powers to States including of Public Order & Police, State Taxes and Duties, Sanitation, Local governments, Forests, Fisheries, Public Health, Agriculture etc. The third list comprises of 52 subjects like Economic & Social Planning, Criminal Law & Procedure, Civil Procedure, Trusts, Marriage, Education, Welfare & Labor, Contracts etc with powers vested on State as well as Union.

The constitution, though placed the subject of Agriculture in the 'States Domain', unfortunately have placed all the issues relating to the Agriculture under the domain of Central Government making Centre to have more than a decisive role to play in the conduct of agricultural operations in the country. This has obviously made States left to their fate in agriculture leaving farmers to starvation and famines. The relation between Union and States is the very bedrock of the Indian Federal system. But the federalism as practiced in India follows a strong central bias. As in many issues, even in issues relating to agriculture, the center takes the majority decisions on many factors of agriculture but ultimately does not own any responsibility since as per constitution it is not a Central Subject.

Agriculture is not a single activity. Many an issue comes together to become as agriculture. The issues which make up the agriculture activity like, Minimum Support Price; Credit to be given to farmers; Imports and Exports to be made from the country; insurance for crops; fertilizers, insurance, FCI to store food grains; seeds to be introduced;
Rural infrastructure through Grameen Sadak Yojana; Electrification though Rajiv Grammen Viddhyudheekaran Yojana; Legislations like protection of plant varieties; Bio Diversity Bill; the Food Bill etc make the whole concept of Agriculture which are all in Centers domain; Perhaps, apart from Electricity generation and supply and extension efforts, nothing is there in the States domain.

What is the net advantage that the Agriculture sector will be getting if it is placed in the Concurrent List?

By placing agriculture in the Concurrent List, 'serving farmers and saving farming' will become the joint responsibility of the Centre and the States, a truly national endeavor in raising the morale, prestige and economic well being of our farm women and men.

The Center then will need to take the majority role not only by way of financial allocations but also taking up steps when there is a need. Until now, Center is now getting confined to a onlooker role. For example, FCI presently is having 3 to 4 times buffer stock and the go downs are full. When the State government is facing the wrath of the farmers for not procuring the paddy; the center is just having the role of onlooker. When the FCI authorities are rejecting the discolorered paddy saying that only 7 % discoloration is admitted, State is looking at Center for approval. The Center is not bothered as it is not its subject but a States problem. Since its Go Downs are any way full, the center does not feel the pinch. But still agriculture is a state subject.

The State farmers are asking from many months for export permission as even the para boiled rice are covered under blanked ban in rice export. The State cannot do anything even the farmers of the states are having heaps of rice with them. But still agriculture is a state subject. The cost of cultivation has been increasing abnormally. The MSP being given to farmers is not even covering production costs. But the center will not change the MSP. The State, if it wants to increase the procurement price, will need to give from its coffers as bonus which many states like Tamil nadu have done. However, Andhra Pradesh is yet to make it. It's a state's problem to give an excess amount and center has nothing to do with it. Still the agriculture is a states subject.

The Finance Minister recently said that by November, the Central government's Tax receipts have increased by 70000 crores compared to last year. But nothing of that may come to pure agriculture sector as Agriculture is a state subject, after all. The central government every year declares the credit to be given to the farmers. But the credit will not be given to the farmers from Central governments funds, but from Banks. The Banks make various ways to fulfill their 18 % priority funding by giving loans to tractors and allied sectors. The center does not even give 10 % of the supposed losses as proposed by the State governments. Even the paltry assistance comes an year after the havoc. The Convergence of NREGS with Farm activities is being demanded by Farmers for a long time since three years. The central is silent on that even though the labour scarcity cost of production has zoomed astronomically. While the NREGS is a central scheme; farmers’ activities on agriculture comes under the center. Many a time the Center is confining itself to its own role leaving the state to its fate with the attitude of 'it is not my problem...but the concerned State’s problem.

When the Industry sector has come into recession due to the World slow down in 2008, the central government gave more than 2 lakh crores as Stimulus covering waiving of taxes; Vat and some other concessions. But when everyone knows that agriculture today is in doldrums Center is not particularly wary of that. Agriculture is still a State subject..after all.

The concurrent status for Agriculture will enable the long standing demand of a separate budget to Agriculture. It is strange that when a single entity like Railways is getting a separate Budget status, then Agriculture with humongous number of issues and complexities should not get
a separate Budget status. A separate budget will allow the just financial allocations. When 67% of population is dependent on agriculture, why should not a separate Agriculture Budget, which answers many a problems of farmers be made? It will not only create backward and forward linkages but also give an integrated approach. The agriculturists, the cultivators or the farmers will know, when the Agriculture Minister gets up and comes out with a separate Agriculture Budget, this is in for him and the entire bandwidth from Exim to MSP is being addressed. The agriculture sector presently provides almost 18 to 19% of the Country's GDP. But the funds allocated to agriculture sector by Central government is just around 1% with a around paltry 11000 crores out of the 11.35 lakhs central budget. Yes..Agriculture is a State Subject..why should the central give..is the argument.

Apart from many commissions, even National Commission for Farmers under Prof. Swaminathan, had urged Central and State Governments to consider seriously the question of including Agriculture under the Concurrent List in Schedule VII, Articles 246 of the Constitution. He opined that both agriculture and "Water" must become Concurrent Subjects from being a State subjects presently. Agriculture, being a State subject is creating problems in implementation of the policies enunciated by the Centre. Presenting the National Commission on Farmers, in 2006, Dr. Swaminathan also suggested the setting up of a National Food Security and Sovereignty Board with Prime Minister being the Chairman and Union Ministers for Agriculture and Food, Finance, Rural Development, Commerce, Water Resources, and other ministers concerned, the Deputy Chairman of Planning Commission, Chief Ministers of a few food surplus and food deficit States and leaders of principal political parties as Members. The objective of the proposed board was to promote policies based on a holistic review and national consensus on pricing, procurement, and universal Public Distribution System and commerce (home and external). Apart from that he strongly advocated that Agriculture should be included in Concurrent List of the Constitution through an amendment.

But nothing is being done even though the report is more than four years old. Even the National Advisory Council (NAC) of the Government of India headed by Congress President Sonia Gandhi struggling with food security bill, does not appear to have discussed structural reforms in the Constitution in making Agriculture a concurrent subject. This, is despite the fact that the most important personality in this NAC besides the political leadership is Prof. M. S. Swaminathan.

The desperation of farmers who are committing suicides really points to a larger agrarian crisis that could be corrected by only through policy interventions both at the national and state levels. We are entering a state of agrarian crisis. This crisis has many dimensions. It is not a single or simple cause that is responsible for this. The policy interventions could come only if the Center and State officially feel that Agriculture is their own subject. As swaminthan said the policy interventions should enable a policy for farmers, instead of a policy for farming. Then only the spate of suicides which has reached 2.56 lakhs from 1995 will come down.
మాత్రమే అనే క్రీస్టియన్లు విషయం చెప్పింది. మాత్రమే అనే క్రీస్టియన్లు విషయం చెప్పింది. 

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லாகஸ் இளை நூறு முனை வரை. தொகுதியுடன் அறிமுகப்படுத்தப்பட்ட இளைநூற்றாண்டில் ஒவ்வொரு வருடமும் நூற்றாண்டு இளைநூற்றாண்டுக்கு முற்பாக தேர்வு செய்யப்படும் முடிவு. செயல்கேள்வியில் இளைநூற்றாண்டு முடிவு கொண்ட முடிவுகள் பதிவு செய்யப்படும். எனவே குறிப்பிட்டது ஆகும். 

புத்தாண்டில் கூறப்பட்டுள்ளது, மதிப்பில் வெளிப்படுத்தப்பட்டது முடிவு கொண்டுள்ளது. அதில் குறிப்பிட்டது ஆகும். 

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குறுகிய விளையாட்டு விளக்கங்கள் - சுருக்கம்

"சுருக்கம் விளக்கம் குறிப்பிட்டுக்கொள்ளவும் அளிக்கும் தொடர்" என்று முதல்வர் கூறினார்.

"சுருக்கம் "சுருக்கம்" என்று குறிப்பிட்டுவர் அளிக்கும் வயலை இயக்கவும் வருவது என்று கூறினார்.

gut முட்டையும் உட்கையும்; ஒருவருக்குப் பெரும் உட்கையும்?

முதல் முட்டையும் உட்கையும் என்று அளிக்கும் வயலை இயக்கவும் வருவது என்று கூறினார்.

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திருத்தம் இடுக்கள் செயலாட்டு ஆராய்ச்சியில் விளக்கம் அளிக்கும் ஆராய்ச்சிப் போக்குவரத்து (CACP) யான துறையில் ஆராய்ச்சியில் பதில்பக் குழுக்கள் பாதுகாப்புக்கான குறிப்பிட்டு தொடர்ந்து வெளியீட்டுள்ளது. ஆராய்ச்சிப் போக்குவரத்து என்ற குறிப்பிட்டின் விளக்கம் அளிக்கும் பொழுதுதான் மாணவர்களுக்கு பேசும் குறிப்பிட்டு வெளியீட்டுள்ளது. உடன்போக்குடன் பொழுதுதான் குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. முதலில் இவ்விளக்கம் ஆராய்ச்சியில் பதில்பக் குழுக்கள் பாதுகாப்புக்கான குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்ளது. இது குறிப்பிட்டு வெளியீட்டுள்
A. The World Economic Forum (WEF) initiative for achieving world food security by development of agriculture through involvement of farmers is a highly laudable initiative. The world food crisis were seen as a prelude to further deteriorating situation in issues of agriculture-food production, water, land, environment and other connected issues. The competition from urbanization, industrialization and infrastructure for the land and water is a serious matter. So also, competition between food, fodder and bio fuels is equally fierce. Lack of focus by Governments in developed, developing and under developed nations was highlighted by various studies conducted by many institutions including World Development Report 2008 by World Bank.

This initiative by WEF is to prepare programs/strategies and get them implemented through partnership between various stake holders including governments, private sector, farmers and others is unique. The deliberations at Davos, Switzerland are highly successful in achieving their objectives.

As a participant when I was invited, I was under the impression that I will be hearing many experts and politicians making speeches and preparing documents for safe keeping.

But the conclusions of the WEF were totally different and highly exhilarating. I am thankful to World Economic Forum for providing me this wonderful opportunity, which helps me in steering our organization Consortium of Indian Farmers Associations (CIFA) which represents the aspirations of 600 million small farmers of India (Details www.indianfarmers.org) towards developing competitiveness, increased production and quality.

B. MY PROGRAMS:

1. On 27.1.2011, I participated in “COLLABORATIVE PATHWAYS FOR A WATER SECURE FUTURE”: This session has Mr. Kofi Annan, Former Secretary General of UNO, Mr. Cao Duc Phat, Minister of Agriculture and Rural Development, Vietnam and from India Mr. Ajit Gulabchand, Chairman, Hindustan Construction Company and other important people.

   The target fixed by this water committee to achieve improve agriculture productivity by 20%, reduce pollution by 20% and also reduce poverty by 20% is a implementable target. The UN agreed to work with corporate in this activity. So also, USAID has agreed to fund resources directly to selected programs including private sector. Ms.Mina Guli of Young Global Leaders has agreed to provide special initiative on this subject.

2. On 28.1.2011 at 7.30am: LEVERAGING PUBLIC-PRIVATE INVESTMENT TO ACHIEVE A NEW VISION FOR AGRICULTURE” was attended by

   Mr. Robert B, Zoellick, President, World Bank; Mr. Jakaya M.Kikwete, President, Tanzania; Mr. Ban Ki. Moon, Secretary General, UNO as the session is considered of high priority area.

   Two pilot projects under implementation by World Economic Forum in Tanzania and Vietnam were presented. The private public partnership programs in which UNO, USAID, World Bank and founder members of WEF are participating is a unique program which will benefit large number of farmers in improving productivity and assisting in marketing. To make the project viable each institution is playing a role for which it is highly suitable. Infrastructure is being built by the Government with the support of other partners. Private sector is assisting both in improving productivity and also marketing. Mr. Jerry Stiner of Monsanto who was instrumental in preparing the concept note has brought about critical issues which require to be implemented in the next 10
years. The participants, especially corporates, assured to take up similar activities.

I emphasized the need for involvement of local farmers in the land activities by private sector. In the context of India, the need for

- Sustainability of small farming
- Bringing about changes Indian government policies & mindset.
- Involvement of private sector in technology transfer investment in infrastructure and market connectivity.
- FDI in Agriculture

3. For me the main event was “GENUINE GREEN GROWTH: DEVELOPMENT THROUGH AGRICULTURE” on 28.1.2011 in which I was a panelist along with Mr. Rajiv J.Shah, Administrator, USAID; Mr.Hugh Grant, Chairman, President & CEO, Monsanto, USA; Mr. Jakaya M.Kikwete, President of Tanzania; Mr. Stefan Lippe, CEO, Swiss Re; Mr. Gregory R.Page, Chairman & CEO, Cargill, USA.

Mr. Rajiv Shah moderated in an exceptional manner by bringing about the best ideas from the panelist and participants. My main focus was on 21st century agriculture in India by small farmers that can be developed in a sustainable model by adopting modern technologies including biotechnology, mechanization, hybrid seeds partnering with markets for retailing, processing etc., and developing farmers as a knowledge manager. (Details of presentation: www.indianfarmers.org).

I presented before the panel that for India agriculture development is a challenge for farmers, policy makers, experts and corporates. I emphasized that by working together Indian small farmers can provide food security to its 1200 million citizens and also economic and social security to its 600 million small farmers.

4. On 29.1.2011 “CATALYSING SUSTAINABLE LAND USE AND THE ROLE OF THE PRIVATE SECTOR”. This session was attended by many policy makers and CEO and it was unanimously decided that in 2011 the local partners will be initiated to take up activities.

In the land usage it was keenly discussed that a platform be created for private players. The deliberations wanted a frame and vision, who will do what, and how? Identifying collaborative partners and integrating with programs and taking care of environmental issues should be inclusive. The ADM has agreed to conduct studies for this purpose.

In regard to India I gave a program for bringing together all the stake holders for sensitization as an activity.

C. NEW VISION FOR AGRICULTURE AND OTHER POLICY DOCUMENTS:

Realizing a new vision for agriculture - a road map for stakeholders. Prepared in consultation with McKinsey and Company has identified farmers centric programs where in the public sector, private sector and civil society specially the large number of farmers in developing nations have prepared innovative models of collaboration. Details available in websites.

One critical issue to be added is that in all developing nations and under developed nations the number of people dependent on agriculture will remain high. These countries having divergent social backgrounds have basic problems of low literacy levels, limited access to technologies, inputs, extension & markets. In majority of the countries the gender inequalities are very high. They include low wages, more working hours, no right to property and no voice in decision making. The farmers in these countries get limited budgetary allocations. Since they have no organizations they have weak lobbies. These issues are the challenges before various stake holders.

The other reports on “Proposals from the Private Sector for engagement at scale in REDD+” in land use project, “The next billions: unleashing business potential in untapped markets”, “Unilever sustainable living plan small, actions big difference” merits study and follow-up.

D. OBSERVATIONS:

Meeting great political leaders, top International CEOs and people of academic excellence from across the world is a highly exhilarating experience. The WEF organizational
functioning is like a Rolex watch precision. The contents of the Agenda, selection of faculty, integrating diverse views and preparing an innovative plan for implementation is of high quality.

The organization of events, infrastructure, logistics and hospitality is of the highest quality for which I am grateful to one and all. The care taken in providing security deserves complements by all of us.

I participated in BBC show on “Leadership shifting from West to East” was discussed in detail. It was felt by the panelists as well as participants that China and India, the emerging economies have important role to play in the overall global leadership. But at the end, it is America that will continue to dominate the World Leadership. This session attended by Mr. Anand Sharma, Commerce Minister of India and the Chinese Policy Maker emphasized that the leadership is not going to be one country or one person. It has to be inclusive model in which concepts, institutions and leaderships have to play a unified role. In 21st century there is no individual leadership or a nation that can dictate terms to others. On the contrary there has to be consensus and inclusiveness in all the issues.

E. MY DISCUSSIONS WITH FARMERS LEADERS:

I had very interesting discussion with Mr. Padraig Walshe, President of EU Farmers Union. He explained the constraints faced by European farmers who are denied of access to technologies, specially biotechnology. These technologies are opposed by environmentalists who have become a powerful influence on European Governments and they have become strong lobby and advocate impractical approach on agriculture development. Infact, these NGOs have become an impediment for the farm sector in developing nations.

Mr. Walshe was also apprehensive about the misgivings of the consumers and also insufficient attention by the Government towards farmers issues. I had opportunity to explain the same to Ms. Christine Lagarde and she was kind enough to agree to meet a delegation of European Union farmers leaders. I was happy to learn from Mr. Walshe that efforts are made to integrate farmers Unions Across the world. I suggested that CIFA will be happy to be part of its.

I am happy to have to met many dedicated people with whom I shared the concerns of food security. They include Mr. Ayla Goksel, CEO, Mother Child Education Foundation; Mr. Robert S.Zeigler, DG, IRRI; Mr. Jyotsna Puri, Green Economy Advisory, Service Unit, United Nations Environment Program; Mr. David Nabarro, Special Representative of the UN Secretary General for Food Security and Nutrition; Mr. Tim Hanstad, J.D., CEO, Landesa; Mr. Salum Shamte, Chairman, ACT; Mr.Ingrid Srinadh, Secretary General & CEO, CIVICUS; Mr.Rajesh Chandy, Tony and Maureen Wheeler Chair in Entrepreneurship Professor of Marketing, London Business School; Mr. Jeffrey D.Sachs, Director of the Earth Institute, The Earth Institute Columbia University, Mr. Swami Nikhilananda Saraswati, Regional Head, Chinmaya Mission; Mr. John H.McCall MacBain, McCall MacBain Foundation; Mr. Martin Dahinder, DG, Swiss Agency for Development & Corporation SDC; Mr. Abhishek Bisht, Brand Head Apollo- Europe, Apollo Tyres Ltd., Mr. Raghuram G.Rajan and Mr. Naveen Zindal.

F. Important issues identified in the deliberations:

1. The ADM has suggested a project proposal for studying the issues of curtailing wastage. The USAID and also UNO suggested applying directly for innovative concepts for support by them. It is an opportunity for developing nation's civil society as well as corporates.

2. Leadership change from west to east is a myth. It is individuals’ dedication, hard work that matters. It is the Power of one to make change is remarkable.

3. Stagnated markets in west and growing markets in east is a reality which can be used as an opportunity by developing nations and under developed nations. This opportunity is not only in marketable items but even in employment areas of agriculture and supervisory work in EU and US. The opportunities can be utilized by partnering with corporates and others.
4. Scaling up educational work force in developing nations by Change in the educational system by prioritizing vocational courses. 2020 India needs 270 million jobs. It is hear that policy makers need to differentiate between unemployable skills that require integrating into the educational system.

5. In developing nations including India innovative local business models needs to be introduced. There is need to strengthen political institutions specially by reducing corruption and improving administration and making political system transparent and responsive.

6. Ms. Kiran Mazumdar Shaw, the dynamic Chairman & MD of Biocm India has spontaneously agreed to deal with agriculture biotechnology issues in India. From Davos itself she gave directions to her colleagues in Biotechnology industry to take up the issue of policy advocacy on priority basis.

7. The Indian CEOs Mr. Jamshyd N. Godrej, Chairman, Godrej & Boyce Mfg. Co. Ltd.; Mr. Ajit Gulabchand, Chairman & MD, Hindustan Constructions Co. Ltd.; Mr. Sunil Kanth Munzal; Mr. Shubhendu Amitabh, Senior President, Aditya Birla Group; Mr Raghupathi Singhania, Vice Chairman & MD, JK Tyre & Industries Ltd.; Mr. Sanjeev Chadha, President, Middle East & Africa, Pepsico; Mr. Onkar S Kanwar, Chairman & MD, Apollo Tyres Ltd.; Mr. Rahul Bajaj, Chairman, Bajaj Auto Limited actively participated in the deliberations and when I suggested that we work together in India they readily agreed.

8. The Young and dynamic CEOs from India specially Mr. Vineet Mittal, Co-founder & MD, Welspun Energy Limited; Mr. G. Venkatesh Babu, MD, Lanco Infratech Limited; Mr. G.V. Prasad, Vice Chairman & CEO, Dr. Reddy’s Laboratories Ltd., were seen participating in important sessions and made their presence felt at Davos.

9. The MNC CEOs Mr. Frits Van Dijk, Executive Vice Presidnet, Nestle; Mr. Patricia A. Woertz, Chairman & CEO, Archer Daniels Midland Company; Mr. Frans W.H. Muller, Member of the Management Board, Metro Group; Mr. Robert Berendes, Head Business Development, Syngenta, Switzerland; Mr. Zein Abdalla, CEO, Pepsico Europe; Mr. Clyde C. Tuggle, Sr. Vice President, Coca Cola Company; Mr. Hugh Grant, Chairman, President and CEO, Monsanto Company; Mr. Leslie Dach, Executive Vice President, Walmart; Mr. Jeff Raikes, CEO, Bill & Melinda Gates Foundation; Mr. Doug McMillon, President & CEO, Walmart; Mr. James C. Collins, President, DuPont Corp Protection; Mr. Daniel R. Mintz, Founding Managing Director, Olympus Capital Holdings Asia; Mr. Paul S. Walsh, Chief Executive, Diageo; Mr. Stefan Lippe, CEO, Swiss Re; Mr. Michel M. Lies, Chairman Global Partnerships, Swiss Re; Mr. Rhomas Nagy, Executive Vice President, Novozymes were actively participated in the land, water and new vision for agriculture assured me that they will extend their support for Indian programs.

G. INSPIRED FOR A LIFE TIME:

The last but the most inspiring program in Davos on 30.1.2011 was chaired by Mr. Klaus Schwab, Founder and Executive Chairman, WEF. The panelist includes an outstanding women leader of the world Ms. Christine Lagarde, Minister of Economy, Finance and Industry, Govt. of France and also Chairman of G-20; Mr. Nick Vujicic, Founder and president, Life without Limbs, USA; Ms. Raquel Helen Silva, Global Change Maker, British Council, Brazil; Mr. Daniel Joshua Cullum, Global Change maker, British Council, New zealand.

This session is about unlimited capacity of human beings to conceive ideas, to become a role model to others and to the entire society. Each panelist was remarkable in their own way by being as an outstanding example to fellow human beings to overcome problems and becoming an inspiration.

I can only suggest that each one who read my report look into the various websites and study the back ground of each panelist. I specially recommend www.lifewithoutlimbs.org.

“FOR ME A NEW GOAL IS THAT I WILL WORK AS IF I HAVE ONLY 24 HOURS TO LIVE.”
The Indian service and industrial sectors are adopting best technologies available in the World to improve production and are making profits. But, ironically many best technologies are not available to farmers and there are some forces opposing some of the latest technologies from making them available on the apprehensions of environmental concerns. Some forces oppose mechanization, use of hybrid/bio-tech seeds, fertilizer, pesticides, mechanization and construction of irrigation projects all go against the interest of the farmers.

(Background: Indian Farm sector is facing serious challenges to provide food for its ever increasing population, feed for Animal Husbandry and raw material for industry. However, if the yield can be increased and with World Food prices on the increase; India can export agri produce and earn money for the nation as well as for farmers.)

**DISCUSSION POINTS**

1. How can New technologies be made available to 90% small farmers, with 60% of them dependent on rain, for improving productivity to increase their income, provide raw material to our industry, food security to the nation and utilize global opportunities?

   **Ans:** Indian Agriculture must build a robust connection with the Scientific and Technological establishment-both private and public sectors. Technology (irrespective of whether it is modern / traditional, Foreign/Indian) is going to be the game-changer and the force-multiplier for Agriculture, as it has been for other sectors. However, benchmarks will have to set with great care and thought for evaluating and choosing the appropriate technologies, before actually adopting them.

2. Are we Farmers getting proper direction from our policy makers. 10 years of research on Bio-tech Brinjal by Tamilnadu, AP and UP universities is still to be made available for farmers's benefit due to bureaucratic impediments and lack of vision to the policy makers?

   **Ans:** Scientific research is a capital intensive activity and therefore is increasingly becoming the hand-maiden of cash rich, profit oriented corporations or politically colored governmental organisations. This state of affairs unfortunately raises a question mark on the credibility or real motive behind most scientific and technological innovations that we come across now and then. Whether one likes it or not, there is a lot of skepticism in both directions - for innovation and against it. This state is further complicated by the common perception that there are various vested interests operating behind the scenes. As a result, it is not easy to accept or reject any innovation outright, without conducting a thorough, objective and neutral enquiry.

3. The BT maize trials were opposed by State Govt. even without field trials? Is it fair, legal and constitutional?

   **Ans:** Same as above.

4. Public Sector research is unable to meet people's aspirations and private sector research is not allowed. Should this discrimination be tolerated silently?

   **Ans:** In such a situation, a balanced response is critical. The correct solution perhaps lies somewhere in the middle, definitely not at any one extreme. The Public sector has (is meant to have) one and only one client - the citizen. The private sector on the other hand reports to its investors and shareholders, to maximize profits by any means, as per current thinking. Both sectors have their strengths and weaknesses and it is extremely important to keep them firmly in view when designing any approach towards adopting scientific research. Neither science, nor politics is a holy cow - people's needs are...Any research or innovation that fulfills the fundamental parameters...
of productivity, quality, profitability, sustainability and ethicality should be accepted and promoted, irrespective of origin.

5. Govt. extension systems are totally inadequate and private sector extension services are not encouraged. Should we not demand private extension services?

Ans: All round inadequacy of governmental systems is an unfortunate fact. It has also become a convenient excuse for political leaders to hand over crucial sectors to the private sector on a platter. Blind faith in the 'efficiency' of 'market forces' and the private sector is as dangerous as waiting for the government to wake up and make things happen. The numerous corporate frauds of colossal scale - Enron, Arthur Anderson, Satyam, 2G, DB have certainly shaken public faith in the purity of corporate motives. Extension services in agriculture should ideally be provided by the government, with appropriate inputs from the private sector routed through government channels. Direct private extension services are likely to be seen as marketing opportunities by the private players, and eventually may degenerate into sales promotion exercises.

6. The totalitarian Chinese small farmers as well as democratic USA large farms are adopting the best modern technologies. Why do we Indian farmers hesitate to use modern technologies?

Ans: Agriculture is not just an occupation in India - it is the basis and source of Indian culture over the last few thousand years. Our social, cultural, religious and spiritual belief systems have strong and inseparable links with Agriculture. Any modern thought or innovation is immediately seen as 'foreign' and therefore suspect. This is because the origins of most innovation lie in the 'Industrial' approach to life and is most likely to clash with some or the other old, fundamental thought from the Indian agricultural ethos. This suspicion could even have deep roots in our history of suffering under foreign invasions and colonial exploitation.

Another real reason is sheer ignorance. The agriculture sector is totally disconnected from academia, from the research establishments, from technology and therefore is starved of brainpower. The increasing economic un-viability of agriculture (due to a host of reasons) is further driving away rural youth to urban centers in search of livelihood and the vicious cycle continues.

Finally, affordability is a real challenge. Even if a farmer overcomes his natural suspicion and decides to adopt modern methods, affordability becomes the hurdle. Fragmentation of individual land holdings in the last five decades has rendered farming unsustainable even for subsistence. Modern technology then becomes just a dream…

7. Can our rain fed agriculture sustain without assured water? Should we not demand construction of irrigation project and supply of assured water?

Ans: Yes, we must demand irrigation projects. The policy should also aim at enhanced water use efficiency models. We must also undertake watershed management projects on a nationwide scale, on top priority.

8. Present agriculture involves physical drudgery and lack of dignity. Why not we demand mechanization of Agriculture, including Diary?

Ans: Mechanisation is indeed desirable, but who are we demanding from and to what extent? There are several challenges to modernization as discussed above (Suspicion, Ignorance and Affordability etc). These need to be addressed first. Mechanisation is a gradual process and will have to be understood, accepted, adopted and implemented by the farmer - it cannot be handed out by the government or the private sector on demand.

9. How do we respond to urban based NGOs creating baseless fears on Agriculture modernization?

Ans: We should respond on a case by case basis, by investigating and exposing their real motives. More often than not, these NGOs are fronts for some business or political interests.
a. Market reforms for the benefit of Indian farmers

The Indian Farmers are constrained with not having sufficient or no market channels to market his produce. If it is MSP for cereals; it is the commission agents who have fiefdom over the remaining produce. Due to the farmers being unorganized and the government not initiating any alternate market channels, the commission agents have become cartels in exploiting farmers.

CIFA, in order to regulate the agriculture market system and facilitate multiple market channels for the farmers to see their produce is initiating a discussion on the various nuances and vagaries of agriculture market system.

A discussion on the fundamental issues that plague the agri market system with the solutions thereof will raise awareness levels of the farmers which will lead to the position where in the farmers support the solutions and demand the implementation by the government.

CIFA is seeking opinion from the delegates so as to formulate long term benefits through market reforms.

Points for discussion:-

1. Do multiple selling opportunities increase competition among buyers and help farmers?
   
   Ans: Yes, like any other business, multiple buyers bring depth, transparency and stability to the markets and make them more efficient economically.

2. Is the contract farming adopted by Sugarcane and Dairy farmers is beneficial? If so cannot the same be replicated in the others commodities.

   Ans: Yes, it can be, provided the establishment does not end up as a playground for vested interests as in sugarcane etc. Open markets and exchanges would be far more transparent and beneficial to the producer.

3. Is the SPOT TRADING Beneficial? (It entails the produce entails to be sold to different buyers across the nation who is on the system domain apart from facility of being kept in godown and given 70% immediately). If it is beneficial why should we not demand for it?

   Ans: Conceptually (in theory), such mechanisms are indeed beneficial. The threat here is from commodities speculators, who hijack the system and indulge in all kinds of manipulation. The producer, or the consumer, or both, end up cheated because of inefficient systems and lack of accurate and timely information. Spot trading should only be brought in when the rest of the systems of information and communication are established and working to the required standards.

4. Will selling to retail chains (wherein farmers sell their produce directly to buyers, avoiding middle) enable farmers make more money? If so, can we welcome retail chains?

   Ans: Yes. That can be a good option and could be preferable to technically complex trading on exchanges. Direct procurement by retail chains should definitely be encouraged.

5. The Foreign Direct Investment (FDI) in IT information technology and Pharmaceutical sector has helped modernization, competitiveness as well as profitability. If so, can FDI be welcomed in Agriculture, electricity, irrigation sector and Bio-technology sector?

   Ans: FDI should be encouraged in carefully selected sectors, with a lot of thought and caution. FDI in technology intensive sectors could be beneficial, but FDI in agriculture could lead to social resistance and political turmoil.

6. Can an agreement with retailers, processors, exporters on long term basis is beneficial to farmers? If so, then why the restrictions on inter-state movement are not removed and Essential Commodities Act be amended?
Ans: Movement of goods within the country should be wholly unrestricted and untaxed. Simply making an agreement does not guarantee any benefits or losses. The contents, terms and sincerity of purpose are crucial factors in making a business agreement successful and beneficial to all parties involved.

b. Indian farmers to join in Partnership with Industry

Indian farmers, out of whom 90% are small, can neither organize themselves nor articulate their issues. It is necessary that the farmer's organizations join hands with other organizations to identify common issues and work jointly to find solutions.

The issues to this end includes that of exports and imports and the farmers role in deciding the issues; various commodity farmers joining hands with processing industries to reduce the value chain system and enhance their profits; ascertain their rights in deciding what sort of seed varieties are required for them etc.

In this context, CIFA has identified some basic issues which threaten the fundamental right of the farmers. The issues also include the various ways that a partnership between the two major constituents in the value chain (Farmers and the Industry) need to have to have a win - win relationship.

CIFA is seeking opinion from its participants so as to formulate long term benefits.

(Apart from the farmers; the discussion think tank includes Rice processors/ Millers/Exporters; Input/Pesticides/Seed/Fertilizer; drip manufacturers; research institutions like ICRISAT/CREDA/IRRI/ABEL and others.)

Points for discussion:-

1. The partnership with processing industry retails chains and research institutions are essential to develop a win-win situation for all stakeholders in Agriculture value chain. Are we the Farmers ready to integrate ourselves into the system?

Ans: We must integrate ourselves into the ecosystem consisting consumers, processors, researchers, regulators, educators etc. since we have a pivotal role to play as producers. Any mental blocks need to be addressed with care and lots of discussion is essential for this to happen.

2. Farmers need to improve knowledge on changing consumer trends and improve quality accordingly. Are farmers ready to enter into an agreement with other stakeholders in the value chain?

Ans: Simply making an agreement does not guarantee any benefits or losses. The contents, terms and sincerity of purpose are crucial factors in making a business agreement successful and beneficial to all parties involved.

3. Some people are opposing technology adoption; market connectivity and creating illusionary fears regarding environment. Should farmers tolerate these urban based N.G.Os who are neither democratic nor transparent? How should farmers respond to their mischievous propaganda?

Ans: We should respond on a case by case basis, by investigating and exposing their real motives. More often than not, these NGOs are fronts for some business or political interests.

The Sugar industries have established MOUs with sugarcane growers and both derive benefit out of it. If so, why not rice and cotton farmers join hands with rice millers and textile industry to get natural benefits?

Ans: Yes, this can be beneficial, provided the system does not end up as a playground for manipulation by vested interests. Open markets and exchanges would be far more transparent and beneficial to the producer.
K. Ramasubba Reddy

1. Economic development does not necessarily result in equitable distribution of the fruits of development. It often results in sectoral disparities, rural-urban disparities, regional disparities and disparities among social groups. While some divergence in income distribution can be explained rationally in economic terms, continued widening of disparities is a cause for concern. The extent and reasons for the disparities should be gone into meticulously before they assume intolerable proportions and result in social tensions, economic deprivations and political upheavals.

Timely and appropriate remedial measures need to be initiated to bring the national income distribution system back to the justifiable levels, before it is too late. Wise Statesmen do it, ensure economic equity and govern for longer time; unwise rulers ignore the danger signals and bring ruination unto the economy as well as unto them selves.

2. Findings of National Commission on Farmers: 'There is a general feeling among farmers of being 'left behind' in large parts of rural India. The widening disparity in per capita income between farm and other than farm sector, the very slow rate of growth in agriculture, the declining profitability, extremely weak social security arrangements, weakening family and community based mechanism of social protection, lack of employment opportunities etc., and the rising aspirations are building up social unrest which if not arrested could lead to threats to internal peace and security.

The worsening cost-risk-return structure of farming, the low and stagnating income of farmers and the huge and widening income divide between farmers and non-farmers are the main deterrents. So much so, as per the 59th Round of NSSO, 40 per cent of the farmers wish to quit farming. Economic growth which bypasses a large population is joyless growth and not sustainable in the long run. What then is the future for India's rural population numbering over 700 million? We cannot be silent onlookers to a situation where 30% of India is shining and 70% is weeping.

Equity considerations can not be ignored for too long. Faster growth in agriculture with improvement in welfare of the rural population is important. The need is not only to register increase in agriculture production in million tons but actual improvement in rural incomes.'

3. Declining Trends-Indicators: The Steering Group on XIth Five-Year Plan identified some key areas such as declining public private investment, technology reaching a plateau, lack of crop diversification and falling fertiliser consumption for the decline in agriculture growth.

*Sharp decline of agri sector income in national income, from 55% in 1950 to 17% in 2009, yet people dependant on agriculture declined from 70% to only 55%.

*The rate of agri sector growth is very low at 2.2% during 1993-2004 (economic reform period), compared to the rates of growth in industry sector at 6.7% and service sector at 9.1% during the same period. Taking into account the rate of population growth, the per capita real income of those working in agriculture sector remained stagnant while those working in other sectors more than trebled /quadrupled, during the economic reform period.

*Decline in AGRI. Share in Gross Capital Formation by half, from 10.2% (2001-02) to 5.8% (2006-07),

*Decline in AGRI loans by banks from 18% (1980-81) to 8.7% (2004-05), as against mandated 18% annually,

*Decline in area under food grains at an annual rate of 0.25%, over 16 year period from
1990-91 *Decline in the rate of NPK use from 8.2 (1980-81/90-91) to 2.3(1995-97/2005-06),


*Decline in the rate of growth of food grains during 1990-2007 to 1.2%, less than population growth of 1.9%. Hence per capita consumption of cereals has declined from a peak of 468 gms per day in 1990-91 to 412 gms per capita per day in 2005-06, indicating a decline of 13%.

*Slow growth in irrigated area at the rate of 1.25% (1989-90/2006-07).

*Increasing Rural Urban disparity in consumption (Rural people per household consumption only half of urban people consumption). 75% of the poor live in rural India,

*Increase in unemployment rate to 8.28% (2004-05) from 6.28% (93-94)

*POOR EXTENSION AND INPUT SUPPLY:
Linkages between the laboratory and the field have weakened and extension services have often little to extend by way of specific information and advice on the basis of location, time and farming system.

4. Poor marketing and Distress sales: Distress sales by small/ marginal farmers to square off their debts or for immediate consumption purposes soon after harvest are quite common. It is normal for a farmer to get 15-30 percent discounted price for spot payment for his produce. According to reliable resources, about 50 percent of the marketable surplus of small/marginal farmers is disposed of in this manner.

9. Suicides of Farmers: An unfortunate consequence of the constellation of hardships faced by small farm families is the growing number of suicides among farmers in thousands, which is not prevalent in any other profession.

Causes of distressing conditions :

4. MSP less than Cost of Production
The cost of production is invariably higher than the minimum support price, due to ever-increasing prices of diesel and other inputs. An examination of the projections of cost of cultivation for 12 food grain crops given by the Commission for Agricultural Costs and Prices (CACP) for the crop season 2005-06 with the MSP prevailing in 2004-05 clearly shows that C2 cost (cost of production per quintal) is not covered by the MSP in most States.

MSP should be regarded as the bottom line for procurement both by Government and private traders. Purchase by Government should be MSP plus cost escalation since the announcement of MSP. This will be reflected in the prevailing market price. Government should procure the staple grains needed for PDS at the same price private traders are willing to pay to farmers.

Dr Mahendra Dev of Ex-Chairman of CACP observed: “recent field visits show that the cost of agricultural production is on the rise because of NREGA. Labour costs are up, diesel prices have shot up. We need to give proper price to the farmer, although it does not guarantee production increase Crop diversification and marketing are equally important issues, he said and switched to emerging issues such as climate change and equity.

5. Decline in Government Investment in the Agricultural Sector
After the economic reforms started, the government's expenditure and investment in the agricultural sector have been drastically reduced. This is based on the policy of minimum intervention by the government enunciated by the policy of globalisation.

The expenditure of the government in rural development, including agriculture, irrigation, flood control, village industry, energy and transport, declined from an average of 14.5 per cent in 1986-1990 to six per cent in 1995-2000.

When the economic reforms started, the annual rate of growth of irrigated land was 2.62 per cent; later it got reduced to 0.5 per cent in the post-reform period. The consequences
were many. The rate of capital formation in agriculture came down, and the agricultural growth rate was also reduced. This has affected the purchasing power of the rural people and subsequently their standard of living.

In recent years, the capital formation in agriculture as a ratio of agricultural GDP has been going down at a high rate. On the other hand, the capital-output ratio in broad agriculture has been going up from about 1.73 in 1950-51, rose to 2.13 by 1966-67. It further went up to more than 2.5 and upwards by the mid-1980s. Currently, the capital output ratio is about 2.4:1.

If we assume that this ratio will rise to 2.5 in the coming years, for a growth rate of 4 per cent in broad agriculture, we need a capital formation proportion to GDP in agriculture of at least about 10 per cent. This proportion was about 4.7 per cent in 1950-51 and moved up to 11 per cent by 1978-79. But, thereafter it has been declining and currently it would be about 6.7 per cent. We need to step up the ratio about 50 per cent if we want a growth rate of 4 per cent in broad agriculture. This is a huge task. Foreign investment will not go in for agriculture. So, the task is cut out. We must pay attention to improving the growth rate in agriculture as a top-most priority and this would need higher proportion of aggregate investment towards broad agriculture.

Currently only 6-7 per cent of overall investment goes in for agriculture, that is, only 2 per cent of aggregate GDP is being devoted for agricultural capital formation.

6. Decline in Agri investment

The share of agriculture in the total GCF (at 1999-2000 prices) fell from 7.7 per cent in 2004-05 to 7.2 per cent in 2005-06 and further to 7 per cent in 2006-07. What is really significant is that this decline has been caused by the fall in the share of the private sector in the GCF - in the past, the trend was the reverse.

According to the numbers given in the Survey, the private sector's share in the GCF has dropped from 7.7 per cent in 2004-05 to 7.1 per cent in 2005-06 and to 6.6 per cent in 2006-07. The private sector's share in 1999-2000 was as high as 11.9 per cent.

The reasons for this are several and quite varied. Although the prices of agri-commodities have remained high in the wholesale and retail markets during the larger part of this phase, the farmer gets less than half the retail price. This has adversely affected the profitability of agriculture. It was found in the 59th round of the National Sample Survey Organisation (NSSO) that 40 per cent of the farmers wished to quit farming. While 27 per cent considered it unprofitable, 8 per cent deemed it too risky. There is a ‘need to narrow the gap between producer prices and consumer prices through proper marketing support’.

The NSSO survey showed that only 30 per cent of farmers adopted some new practice during the survey year. When it came to technical information, only 6 per cent of the farmers relied on the extension agencies and even less (3 per cent) on government agencies. For the others, the main source of information on technology was the input-suppliers who had their own vested trade interests.

7. Continuous decline in the share of plan outlays:

There has been continuous decline in the plan outlays for Agriculture. During 6th Five Year Plan the share was 5.8%; the same declined to 4.9% during 9th Plan and further down to 2.4% during the 10th Plan. The share of expenditure on Research & Education was very low at 6% of the total development expenditure on Agriculture. The growth of public expenditure has slowed down since 1990s on Research and Extension, in constant terms. In the case of extension services the growth of expenditure was highest in the sixties resulting in acceleration in the agricultural growth.
Thereafter the rate slowdown is very sharp. The rate of growth of expenditure on extension services has declined to onethird since 1990s.

The total expenditure on Agriculture fell from 13% in the 90s to 10% in the early part of the current decade. The growth of expenditure on irrigation declined from 14% from the first half of 1990s to 10% in the second half of 1990s and further to 4% in the subsequent period.

8. Adverse changes in the banking policy since the economic reforms of 1991, reducing loan availability.

The concept of priority sector lending itself has come under attack, with the suggestion by the Narsimhan Committee Report (1993) that the 40 per cent direct credit to the priority sector should be phased out. While this recommendation has not been implemented, there has been a dilution of the priority sector lending policy. The operational relevance of the priority sector lending has been weakened by the inclusion of a vast number of items, including agricultural machinery, direct finance to the housing sector etc.

More than 70 per cent of farmer households have no access to any formal sources of credit.

9. Agriculture: A losing proposition:

During the nineties the profitability in agriculture declined by 14% mainly due to stagnancy in yield growth and increase in prices of inputs outpacing the increase in prices of output. Even if we look at the latest cost of cultivation for major food grain crops for 2005-06 [CACP data] and compare it with MSP prevailing in 2004-05, it would appear that the C2 costs of paddy,jowar,bajra,maize,tur,moong,urad,gram and barley were not covered even by MSP in many States. It would be extremely unlikely that in long run farmers would continue to cultivate these crops. The total monthly income of farmers' households for land holding up to 2 hectare was lower than the total consumption expenditure indicating the non viable status of these farmer households.

Indebtedness of farmers is rising not only because of farming-related expenditure, but also because of the need for healthcare

10. Ban and restrictions on export of agri commodities:

PUTTING FARMERS FIRST “Everything else can wait, but not agriculture”- Jawaharlal Nehru, 1947 "Agriculture is a high-risk economic activity” “Agriculture is not just a food producing machine for the urban population"

“Neglect of domestic policies' hit farm growth”

Mahendra Dev, Ex-Chairman CACP, attributed the poor performance on the agricultural front to the liberalisation policy, the tax and financial policies of the Government. “The Prime Minister, Dr Manmohan Singh, and the Deputy Chairman of the Planning Commission, Mr Montek Singh Ahluwalia, contend that industrial liberalisation has had a positive impact on agriculture, but many others aver that globalisation and WTO has had an adverse impact on agricultural production. Financial liberalisation has affected agricultural credit. We need to connect this by addressing supply chain factors such as land and water management, financial credit etc.

KRSR/200311

ANNEXURE: Parliamentary Committee on Agriculture (PCA) raps govt. on low MSPs not even covering costs

Recs. of Standing Committee on Agriculture on Pricing of Agri Produce.
Having noted several infirmities and shortcomings in the present system of fixing of MSP by CACP as also the other problems besetting the agriculture sector in the Country viz. coverage of only 24 crops under the MSP, considerations of factors like (i) effect on industrial cost structure; (ii) effect on cost of living; and (iii) assessment of objective needs of the economy at a particular point of time, etc; not taking into account the risk factors and their consequences; Government interventions and market forces both at national and international levels; the lack of access to majority of farmers to information on best agricultural practices from Government machinery, better pesticides and fertilizers, farm machinery and implements, high yielding seeds; the down turn in food grain production and availability climate change, etc, the Committee had felt that the only way out in the face of these shortcomings/problems was by making agriculture a profitable vocation.

while fixing MSP, the CACP should stop counting the factors, such as (i) effect on industrial cost structure; (ii) effect on cost of living and (iii) assessment of objective needs of the economy relating to industrial development etc.; and reassess the factor relating to „effect on general price level/inflation” by including wholesale price index and not the market rate. They had also

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<th>Recs of SCA- Forty-first Report (Fourteenth Lok Sabha) of the Committee on Agriculture (2007-2008)</th>
<th>Govt. reply</th>
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<td>As any policy regarding agriculture cannot be looked in isolation of the overall economy, agricultural price policy also has to keep the objective needs of the economy in consideration. Government has considered the Recommendations of the Expert Committee to Examine Methodological Issues in Fixing MSP and has decided that for recommending Minimum Support Price (MSP), the following items of cost shall also be considered by CACP; (i) The premium actually paid by farmers for crop insurance; (ii) Marketing and transport charges incurred by farmers; (iii) Imputing value of family labour on actual market rate for casual labour in cost estimates and (iv) The likely effect of the price policy on the rest of the economy, particularly on the cost of living, level of wages, cost structure of agro-based products and the competitiveness of agriculture and agro-based commodities. As regards consideration of risk factors in cultivation, at present the production risk is taken care by the National Agricultural Insurance System (NAIS) in force and the price risk is covered under the MSP. MSP is a price guarantee that is provided to the farmers to ensure that the price does not fall below that floor limit and the chances of distress sale by the farmers are eliminated. Regarding the production risk in farming, it seems appropriate that the farmers are provided with farmer-friendly insurance cover and the cost on account of insurance premium is included in the overall cost of production”.</td>
<td>The Committee are, least convinced by the rationale for continuing with present pricing policy of agricultural produce. The contention of the Government that while keeping in view the interest of the consumers, especially the large majority of poor consumers both in rural and urban areas and trying to keep the prices of food and other commodities at reasonable rates, the pricing policy seeks to provide a fair return to the farmers is not at all tenable being devoid of factual basis. They are of the strong opinion that Government policies over a period have rendered agriculture, as the least profitable vocation in the country. The Government, therefore, needs to seriously introspect on the question of continuing with such a skewed policy. The Committee also feel that a farmer friendly pricing policy would not only automatically take care of rural poor, who form a majority of the farming community but also act as a counter magnet for the current exodus to urban areas. The Committee, therefore, desire a serious rethink by the Government on the various remedial steps suggested in these two recommendations. The Committee also expect, at the earliest, specific responses from the Government on their recommendation about CACP stopping counting factors, such as (i) effect on industrial cost structure; (ii) effect on cost of living; and (iii) assessment of objective needs of the economy relating to industrial development, etc, while fixing the MSP.</td>
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recommended that the risk factors enumerated by them should invariably be considered while calculating the level of Minimum Support Price of an agriculture commodity. Besides, 50% risk co-efficient and so also the self-insurance premium of the farmers and premiums of MNAIS and WBCIS should form part of costing factors considered by CACP for fixing MSP.

Finding that CACP’s role is restricted to the announcement of MSP, the Committee suggested that CACP should take into account all the minor and major cost factors including risk factors natural as well as man-made and must take into account a profit margin of at least 50% of the cost price, that a farmer should get to run his household, perform his social & family responsibilities and rear his animals, etc.

Recs of SCA
2. Farmer as Skilled Labour

Taking note of the huge disparities in the wages of the farming community vis-à-vis other classes of employees, the Committee had recommended that farming being a skill based profession, the farmer and his family members should be treated as skilled labour and the CACP should compute the relevant values accordingly. They had also recommended that the statutory wage rate or actual market rate of farm labour should also be revised accordingly.

In their Action Taken Note the Government have stated that as per the existing methodology farmer and his family members are not treated as skilled labour. However, the manpower employed in agriculture is treated as agricultural labour. The relevant market wages for ploughing, sowing, weeding, transplanting and harvesting, etc. are considered to determine the cost of labour engaged in agriculture.

SCA Response to Govt reply
The Committee deprecates the view taken by the Government which equates the labour put in by the farmer and his family in agriculture and allied activities at par with casual labour. The farmer and his family should rather be considered as a techno-managerial group with exhaustive knowledge of the nature of land under cultivation, the crops to be cultivated, the best agricultural practises, etc. The National Commission for Farmers has also emphasised on this fact by proposing training to farmers at the farms of outstanding farmers. The Commission in fact wished the Government to see farmers as partners in their effort to improve the way agriculture is practised in the country. The Committee, therefore, once again recommend that Government should take immediate steps to declare farm labour in the category of skilled labour for the purpose of computing MSP.
The world its course maintains through life that rain unfailing gives;

Thus rain is known the true ambrosial food of all that lives.

**Meaning**: By the continuance of rain the world is preserved in existence; it is therefore worthy to be called ambrosia.

12 The rain makes pleasant food for eaters rise;

As food itself, thirst-quenching draught supplies.

**Meaning**: Rain produces good food, and is itself food.

13 If clouds, that promised rain, deceive, and in the sky remain,

Famine, sore torment, stalks o'er earth's vast ocean-girdled plain.

**Meaning**: If the cloud, withholding rain, deceive (our hopes) hunger will long distress the sea-girt spacious world.

14 If clouds their wealth of waters fail on earth to pour,

The ploughers plough with oxen's sturdy team no more.

**Meaning**: If the abundance of wealth imparting rain diminish, the labour of the plough must cease.

15 'Tis rain works all: it ruin spreads, then timely aid supplies;

As, in the happy days before, it bids the ruined rise.

**Meaning**: Rain by its absence ruins men; and by its existence restores them to fortune.

16 If from the clouds no drops of rain are shed. 'Tis rare to see green herb lift up its head.

**Meaning**: If no drop falls from the clouds, not even the green blade of grass will be seen.

17 If clouds restrain their gifts and grant no rain, The treasures fail in ocean's wide domain.

**Meaning**: Even the wealth of the wide sea will be diminished, if the cloud that has drawn (its waters) up gives them not back again (in rain).

18 If heaven grow dry, with feast and offering never more,

Will men on earth the heavenly ones adore.

**Meaning**: If the heaven dry up, neither yearly festivals, nor daily worship will be offered in this world, to the celestials.

19 If heaven its watery treasures ceases to dispense,

Through the wide world cease gifts, and deeds of ‘penitence’.

**Meaning**: If rain fall not, penance and alms-deeds will not dwell within this spacious world.

20 When water fails, functions of nature cease, you say;

Thus when rain fails, no men can walk in 'duty's ordered way'.

**Meaning**: If it be said that the duties of life cannot be discharged by any person without water, so without rain there cannot be the flowing of water.

**Agriculture**

1031 Howe'er they roam, the world must follow still the plougher's team;

Though toilsome, culture of the ground as noblest toil esteem.

**Meaning**: Agriculture, though laborious, is the most excellent (form of labour); for people, though
they go about (in search of various employments), have at last to resort to the farmer.

1032 The ploughers are the linch-pin of the world; they bear
Thems up who other works perform, too weak its toils to share..

Meaning: Agriculturists are (as it were) the linch-pin of the world for they support all other workers who cannot till the soil.

1033 Who ploughing eat their food, they truly live:
The rest to others bend subservient, eating what they give.

Meaning: They alone live who live by agriculture; all others lead a cringing, dependent life.

1034 O'er many a land they 'll see their monarch reign,
Whose fields are shaded by the waving grain.

Meaning: Patriotic farmers desire to bring all other states under the control of their own king.

1035 They nothing ask from others, but to askers give,
Who raise with their own hands the food on which they live.

Meaning: Those whose nature is to live by manual labour will never beg but give something to those who beg.

1036 For those who 've left what all men love no place is found,
When they with folded hands remain who till the ground.

Meaning: If the farmer's hands are slackened, even the ascetic state will fail.

1037 Reduce your soil to that dry state, When ounce is quarter-ounce's weight;
Without one handful of manure, Abundant crops you thus secure.

Meaning: If the land is dried so as to reduce one ounce of earth to a quarter, it will grow plentifully even without a handful of manure.

1038 To cast manure is better than to plough;
Weed well; to guard is more than watering now

Meaning: Manuring is better than ploughing; after weeding, watching is better than watering (it).

1039 When master from the field aloof hath stood;
Then land will sulk, like wife in angry mood.

Meaning: If the owner does not (personally) attend to his cultivation, his land will behave like an angry wife and yield him no pleasure.

1040 The earth, that kindly dame, will laugh to see, Men seated idle pleading poverty.

Meaning: The maiden, Earth, will laugh at the sight of those who plead poverty and lead an idle life.
With best compliments to:

CONSORTIUM OF INDIAN FARMERS ASSOCIATIONS ON THE EVE OF 7TH NATIONAL FARMERS CONFERENCE

United Phosphorus limited

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MCX EXTENDS COMPLIMENTS TO CIFA ON THE EVE OF 7TH NATIONAL FARMERS CONFERENCE

MCX is India’s No.1 Commodity exchange. Source: FMC website (www.fmc.gov.in) based on turnover in terms of value for FY 07. Disclalmer: MCX is proposing, subject to receipt of requisite approvals, market conditions and other considerations, a public issue of its equity shares and to file a draft Red Herring Prospectus with SEBI.
With best compliments to : CIFA on the eve of
7th National Farmers Conference

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• The largest producers of fertilizers in India
• 39,824 Cooperative Societies and 158 Farmers Service Centres
• Produced 71.88 lakh MT and sell 112.58 lakh MT of fertilisers during 2009-2009
• Produces and sells highest Urea
• Achieved highest sale of NP/NPK/DAP/MOP
• Contributed immensely to the environment and welfare activities of its members
• Won many prestigious awards
• The ‘Vision 2010’ plan explores avenues for diversification into other profitable business areas, apart from fertiliser, with a strong focus on farmer-oriented schemes and strengthening of cooperative infrastructure

IFFCO
INDIAN FARMERS FERTILISER COOPERATIVE LTD.

EMPOWERING FARMERS
Ensuring Food & Nutritional Security

Dhanuka Kheti Ki Nai Takneek

Adopt improved varieties & treat seeds before sowing.

Soil Test based nutrient use & Green Manuring to maintain soil health.

Harvest rain water and develop modern storage and recycling systems.

Timely control of weeds, insect-pests and diseases through judicious and timely use of Pesticides.

Use appropriate spray technology.

Timely harvest and safe storage.

Buy Pesticides from credible sources and purchase against bill.
**CIFA PROFORMA FOR MEMBERSHIP**

(Please type separately and enclose all the details along with the membership fees)

1. **Name of the Organization**: 
2. **Detailed Address - including Pin Code, Telephone No. & e-mail etc.**: 
3. a. **Registration No - certificate (copy to be enclosed)**: 
   b. **By Laws (copy to be enclosed)**: 
4. **Names of the President & Details of Executive Committee**: 
5. a. **Details of your activities for past 2 years (enclose the details)**: 
   b. **Individual Members.**: 
   c. **Area of Activity Details: Commodities, Policy Advocacy-Extension-Training-Inputs Supply-Direct Marketing-Contract Farming-Production Activity-Farmers Exchange etc**: 
   d. **Books/ Brochures published by you (copies to be enclosed)** 
   e. **News published about your activities (copies to be enclosed)** 
6. a. **Name of the Bank & Account Number**: 
   b. **IT returns for the past 3 years (copies to be enclosed)** 
7. **FCRA Registration. (copy of the certificate)**: 
8. **Membership Fees - Rs.................., Cheque/DD No. ............., dated.........................** 
9. **Membership Fee details**
   a. **Multi State(Producer/Commodity Animal/Aqua) Associations** - 10,000/- per year 
   b. **Multi-District (State) level Organizations** - 5,000/- per year 
   c. **Other Organizations** - 3,000/- per year 
10. **Conditions**
   1. Individuals are not entitled to become members 
   2. Registered farmers associations are eligible for apply for membership 
   3. Unregistered farmers associations willing to join CIFA will be scrutinized and allowed and membership will be given 6 months for completing formalities. 
   4. NGO’s are eligible to become members with non-voting powers.

Date: ______________________________ Signature: ______________________________