

Title: Difficulties being faced by farmers due to Central Government policies regarding agriculture sector specially in terms of credit/support prices.

SHRI M.V.V.S. MURTHI (VISA KHAPATNAM): Sir, I call the attention of the Minister of Agriculture and the Minister of Rural Development to the following matter of urgent public importance and request that he may make a statement thereon:

"Difficulties being faced by the farmers due to Central Government policies regarding agriculture sector specially in terms of credit/support prices and steps taken by the Government in regard thereto "

THE MINISTER OF RURAL DEVELOPMENT AND MINISTER OF AGRICULTURE (SHRI SUNDAR LAL PATWA): Sir, the Government recognises agriculture as the most important sector, providing food security, generating employment, eradicating poverty and sustaining the domestic market. The interest of the farmers is uppermost in the mind of the Government and several steps have been taken recently to increase production and productivity of agriculture in the country. In fact the years 1998-99 and 1999-2000 have witnessed the resurgence of Indian agriculture of the country. The highlights are:

For the first time foodgrains production crossed 200 million tonnes mark reaching 203 million tonnes in 1998-99. The foodgrains production is again expected to reach 201.5 million tonnes in the current year, despite adverse agro-climatic conditions.

Wheat production in 1998-99 was 71 million tonnes and this year again the country expects to reach this level, despite decline in area coverage under wheat by about a million hectares.

Rice output is expected to reach a record production of 88.5 million tonnes against 86.0 million tonnes achieved last year.

Sir, I want to say for the information of all the hon. Members, India has now emerged as the second largest producer of rice, wheat, groundnut, fruits and vegetables in the world. ...*(Interruptions)*

However, without undermining the achievements, it has to be admitted that the impact has been confined to well-endowed irrigated areas of the country, leading to large disparities across regions/across crops/across sections of farmers, and has aggravated the problems faced by the farmers. The economic conditions of farmers, more particularly the small and marginal farmers, is a major cause of concern for the Government.

Most problems faced by the farmers are generally common in all the States. Seventy-eight per cent of the total land holdings of the country are small and marginal, which are getting further fragmented due to high population pressure. Small holdings are uneconomical for modern farming operations.

The institutional agencies are, at present, in a position to provide hardly 50 per cent of the total credit. The trade and marketing-related problems faced by the farmers are no less acute. Nearly 65 per cent of the Indian agriculture is rain-fed and is subject to the vagaries of monsoon. Natural disasters like cyclones, floods, etc. are a constant threat in some parts of the country. The recent super-cyclone in Orissa and the present drought are glaring examples.

However, the Government is making all sincere efforts and taking corrective steps in different areas to take Indian agriculture to new heights. Timely and adequate supply of credit and a price policy which ensures remunerative prices to farmers are most important part of the Government's initiative in promoting Indian agriculture..â€¦(व्यवधान) में थोड़ा कम पढ़-लिखा हूँ। â€¦(व्यवधान)

श्री रामजी लाल सुमन (फिरोजाबाद) : आप हिन्दी में ज्यादा अच्छी तरह से बोल सकते हैं। â€¦(व्यवधान)

अध्यक्ष महोदय : आप कम्पलीट करिए।

SHRI SUNDAR LAL PATWA: Agriculture credit plays a crucial role in maintaining/increasing agricultural production and productivity. At present, a multi-agency system consisting of commercial banks, regional rural banks and co-operatives having a vast network for providing agriculture credit to the farming community exists. Over a period of time, the flow of institutional credit for agriculture and allied activities has increased from approximately Rs.20,000 crore in 1995-96 to approximately Rs.38,000 crore in 1998-99. Several steps have been contemplated to increase this credit flow to a level of approximately Rs.61,000 crore by 2002.

With a view to strengthening the agricultural credit system, various measures/initiatives are being taken. These include:

- i. Introduction of National Agriculture Insurance Scheme in *rabi* 1999-2000. This is available to all farmers

irrespective of the size of the holding. The Scheme is compulsory for loanee farmers and optional for non-loanee farmers. The Scheme covers food crops, oilseeds and annual commercial and horticulture crops. Small and marginal farmers are eligible for 50 per cent subsidy under the Scheme.

- ii. Introduction of Kisan Credit Card Scheme so as to provide flexibility and security in the flow of credit. Up to the end of December, 1999, about 51 lakh Cards have been issued against a target of 20 lakh Cards.
- iii. Comprehensive restructuring of regional rural banks.
- iv. Reforming of co-operative credit structure.

(v) Relaxation of norms by NABARD relating to minimum recovery and minimum involvement.

In order to provide remunerative prices to the farmers, the Government announces each season Minimum Support Prices (MSP) for 24 major agricultural commodities and organises purchase operations through public and cooperative agencies such as Food Corporation of India, Jute Corporation of India, Cotton Corporation of India and NAFED. The prices are fixed on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP). The CACP considers in detail the cost of cultivation data which is collected through 16 Agricultural Universities. While determining cost of cultivation, the Commission takes into account not only paid out costs like the expenses incurred by the farmers on various inputs like labour, seeds, fertilizers, diesel, etc., but also imputed cost, like rental value of owned land, depreciation, labour charges of family labour and interest on fixed and working capital. Besides other relevant factors like rate of inflation, inter-crop price parity, prices paid and prices received (terms of trade) by the farmers are also taken into account. During 1999-2000, the Government have announced increased prices between 5.5 per cent to 15 per cent over MSP in 1998-99 for various commodities. Whereas FCI has been purchasing wheat and rice, NAFED has purchased oilseeds like soyabean, sunflower, rapeseed-mustard, copra and Cotton Corporation of India, cotton to protect the interest of the farmers.

Commodities not covered under MSP, are covered by Market Intervention Scheme (MIS). The MIS has been operated so far, for commodities like apple, kinno, oranges, grapes, mushrooms, black-pepper, potatoes, palm oil etc.

Other major initiatives taken by the Government are :

- I. Launching of Technology Mission on Cotton by the Government in February, 2000 to increase the production and productivity of cotton.
- II. Introduction of the scheme for providing capital subsidy of 25 per cent for construction / modernisation / expansion of cold storages and storages for horticulture produce, in December, 1999.
- III. Creation of Water-Shed Development Fund in 1999-2000 with a corpus of Rs. 200 crore.
- IV. Provision of infrastructural support for horticulture development with emphasis on post-harvest management, approved by the Government in April, 2000.
- V. Launching of pilot scheme of Seed Crop Insurance in Rabi 1999-2000.
- VI. Launching of Seed Bank Scheme in February, 2000.
- VII. Implementation of regionally differentiated strategies to rectify regional imbalances and to meet the problem of rain-fed areas during Ninth Plan.

In the end, I would like to assure the House that the Government is fully seized of the problems faced by the farmers. They are the main focus in the National Agriculture Policy currently under formulation. The policy will seek to achieve a growth rate of at least 4 per cent per annum with equity, that is widespread across regions, crops and different classes of farmers. (लवघान)

कुंवर अखिलेश सिंह (महाराजगंज, उ.प्र.) : महोदय, जब माननीय मंत्री जी अंग्रेजी पढ़ना नहीं जानते तो क्यों अंग्रेजी में पढ़ रहे हैं।

SHRI SUNDAR LAL PATWA: The policy will also seek to actualize the vast untapped potential of the agriculture sector, strengthen rural infrastructure, promote value addition, accelerate the growth of agri-business, create employment in the rural areas and secure a fair living standard for the farmers, agricultural labourers and their families. The government also propose to give thrust to organic farming for sustainable agricultural development. A Task Force is being set up in the Department of Agriculture and Cooperation to make recommendations in this regard.

In the end, I would say that initiatives such as Crop Insurance fully covering individual non-loanee farmers, commercial and horticulture crops, Kisan Credit Cards, Technology Mission on Cotton, Back-ended Capital Subsidy Scheme for Cold Storages, Watershed Development Fund, Seed Crop Insurance have been introduced for the first time in the history of the country. ...(*Interruptions*)

SHRI SHYAMACHARAN SHUKLA (MAHASAMUND): Sir, I am on a point of order. ...(*Interruptions*)

MR. SPEAKER: Let him complete the statement. What is this?

SHRI SUNDAR LAL PATWA: However, agriculture being a State subject, the successful implementation of programmes and schemes depend upon the Central Government and the State Governments having proper partnership, cooperation and running hand in hand.

MR. SPEAKER: Shri Murthi, you ask only clarifications.

SHRI M.V.V.S. MURTHI (VISAKHAPATNAM): Mr. Speaker Sir, I will not take much time. I will only ask a few clarifications. Kindly allow me. It is a very important subject.

Sir, I am not very happy to call the attention of the Agriculture Minister. Since the farmers have been put to a lot of difficulties, I am only bringing today's facts about farmers to the attention of the hon. Minister of Agriculture. So, I should be factual in my approach. The whole House joins me, at least, in understanding the difficulties of the farmers. ...(*Interruptions*) If the Government does good things, naturally, we will have to appreciate. I do not say that this is the fault of the Government; I am only highlighting the difficulties of the farmers. Today's *The Hindu* newspaper is carrying an item reporting that farmers of Rentachintala in Guntur District are selling away their kidneys in Delhi and 132 people have sold away their kidneys. ...(*Interruptions*)

After hearing from the hon. Minister a very comprehensive and detailed statement, it seems as if the farmers have been taken to the heaven. Today itself, *The Hindu* has reported that the farmers from Guntur district are selling away their kidneys. They are also prepared to sell away their hearts. Their hearts are with us. ...(*Interruptions*)

MR. SPEAKER: Shri Murthi, you go through Rule 197. At this stage, you can ask only clarifications and not deliver a speech.

SHRI M.V.V.S. MURTHI : Sir, I am asking only the clarifications.

Sir, he says that the support prices have been given. About the support price of copra, there was a lot of hue and cry in this House the other day. The support price of copra is not satisfactory to the farmers.

The Government of Andhra Pradesh has written several letters to him regarding SOS Superfine Paddy 1001, but he has not declared it as a superfine variety. Tobacco is also lying in the godowns. Chillies are also lying in the godowns. The cotton farmers are committing suicides.

In regard to the farm oil sector, I would bring to the notice of the hon. Minister that the farmers are uprooting their trees in Andhra Pradesh because the price the Government is paying is not at all remunerative. A lot of imports are taking place in the country in the farm oil sector. Recently also, a lot of imports have been there. The farmers have grown these trees over the last six or seven years on the advice of the Union government. ...(*Interruptions*) This is the plight of the farmers.

Seventy lakh tonnes of sugar are lying in the godowns because of the policy of the Government and the excess production is also a cause of concern and creating difficulties for the sugarcane growers. This is the problem faced by the farmers and the Government in its Reports says that the problem is the 'small-holdings'. I would like to ask whether the Government is going to revise its policy to make them big holdings. ...(*Interruptions*) Today also, we are depending solely on small-holdings. It is only because of small and marginal holdings that at least the farmers are getting two-time meals a day. So, I would request the Minister kindly not to entertain the idea that it is a saddening thing to have small-holdings. The concept of small-holdings is followed to spread land to all the farmers. ...(*Interruptions*)

The other thing is that we have increased the production to 203 million tonnes in 1998-99. It is a good thing that we have increased the production.

The rich farmers are able to concentrate on production whereas the small and marginal farmers are dying due to starvation. Moreover, extra production is taking place only in some parts of the country and not throughout the country. So, we have to see that extra production takes place in every part of the country. A lot of foodgrains are available in the FCI and other godowns, but they are not made available to the common people.

I want the Government to introduce a comprehensive insurance scheme to cover all the crops and also the farmers. NABARD should have a liberalised credit policy.

MR. SPEAKER: Please conclude because there is another Calling Attention.

SHRI M.V.V.S. MURTHI : So, the credit policy and the insurance policy have to be liberalised to help the small and marginal farmers. The prices of urea, kerosene, LPG and others have been increased. My request is that the price of urea must be brought down. ...*(Interruptions)*

SHRI SUNDAR LAL PATWA: Mr. Speaker, Sir...*(Interruptions)*

SHRI RASHID ALVI (AMROHA): Since the statement is in English, your reply should also be in English.

MR. SPEAKER: You have the translation facility. What is this, Shri Alvi? Every time, you are obstructing the Minister.

...*(Interruptions)*

MR. SPEAKER: Nothing should go on record, except the Minister's reply.

*(Interruptions)**

** Not Recorded*

श्री सुन्दर लाल पट्टा : अध्यक्ष महोदय, मैंने अपने कथन में कहीं भी यह दावा नहीं किया कि किसानों की सारी समस्याएं हल हो गई हैं और किसानों के सामने कोई परेशानी नहीं है। आज तक की सभी सरकारों ने जो भी प्रयास किए, मेरा किसी पर यह आरोप नहीं है कि किसी सरकार ने जानबूझ कर किसानों की उपेक्षा की। हमारी सरकार ने छः महीनों में जो कुछ किया, मैंने उसका चार वाक्यों में जरूर उल्लेख किया है।

कुंवर अखिलेश सिंह (महाराजगंज (उत्तर प्रदेश) : अध्यक्ष महोदय, उत्तर प्रदेश में किसानों का आलू सड़ रहा है। सरकार ने आलू के भंडारण की कोई व्यवस्था नहीं की।...*(व्यवधान)*

MR. SPEAKER: Shri Akhilesh, I am warning you. You are always disturbing the House. This is not the way.

श्री सुन्दर लाल पट्टा: अध्यक्ष महोदय, मैंने माननीय सदस्यों की बात को शांति से सुना है। मैं चाहूंगा कि आपके आदेश से वे मेरी बात शांति से सुन लें। हमने कुछ नई बातें प्रारम्भ की।...*(व्यवधान)*

MR. SPEAKER: You are putting questions to the Minister, but you are not listening to the replies. What is this? Mr. Minister, have you completed your reply?

श्री सुन्दर लाल पट्टा: किसानों के बारे में सरकार पूरी तरह गम्भीर है। देश के किसानों के हित को छोड़ कर कोई दूसरा इससे ज्यादा महत्व का हित है, यह सरकार ऐसा सोच भी नहीं सकती। मैं सभी माननीय सदस्यों से प्रार्थना करना चाहूंगा...*(व्यवधान)* आपने कोपरा के बारे में कुछ आपत्ति की। मैं आपकी आपत्ति को स्वीकार करता हूँ। मुझे यह कहने में हिचक नहीं है कि उसका सपोर्ट प्राइस, खरीद प्राइस तय करने में कुछ विलम्ब हुआ लेकिन विलम्ब जानबूझ कर नहीं हुआ, वह प्रतिक्रिया हुआ। मैं प्रार्थना करना चाहूंगा कि इस सरकार ने जो कुछ काम अपने छोटे से कार्यकाल में किए, उनका महत्व समझें, सरकार के इरादे को समझें।...*(व्यवधान)*

MR. SPEAKER: Let us now take up the next Calling Attention. Shri Basu Deb Acharia.

...*(Interruptions)*

MR. SPEAKER: Nothing should go on record, except what Shri Basu Deb Acharia is saying.

...*(Interruptions)*

SHRI S.S. PALANIMANICKAM (THANJAVUR): Sir, I would like to know whether the farmers are getting remunerative prices or not ...*(Interruptions)* What steps are being taken by the Government? ...*(Interruptions)*

MR. SPEAKER: Please take your seats. I have called Shri Basudeb Acharia.

...*(Interruptions)*

कुंवर अखिलेश सिंह (महाराजगंज - उ.प्र.): अध्यक्ष महोदय, किसान आत्महत्या कर रहे हैं.....*(Interruptions)*

SHRI S.S. PALANIMANICKAM : Sir, I would like to know whether the farmers are getting remunerative prices or not

...(Interruptions) What steps are being taken by the Government? ...(Interruptions)

MR. SPEAKER: Nothing will go on record. Shri Basudeb Acharia.

(Interruptions)*

श्री सुन्दर लाल पट्टा: अध्यक्ष महोदय, इस संबंध में चर्चा स्वीकार करने में मुझे कोई आपत्ति नहीं है।

MR. SPEAKER: Okay.

* Not Recorded