

## Union Budget for 2007-08

### **No Recipe for Agricultural Renewal**

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Both the Economic Survey and the UPA Government's Mid-term Report Card have rightly highlighted the many significant achievements of the last 3 years including an average growth rate in GDP of 8.6%. They however admit that the farm sector, which provides livelihood for 115 million families, is in distress. The Report Card correctly points out that the constraints in the supply of essential food items like wheat, pulses and oilseeds could upset macro economic stability. Having identified the problem in both human and statistical dimensions, the budget fails to provide a strategy for agricultural renewal. The budget has provided funds for bringing 2.4 million hectares more under irrigation. The expansion of farm credit to cover an additional 50 lakh farmers and total credit availability of 225,000 crores are also welcome steps, although such figures alone are not going to prevent farmers affected by economic penury from committing suicides.

Provision has been made both for research and extension and additional support has been indicated for strengthening the infrastructure of the agricultural universities at Pantnagar and Coimbatore. The proposal for restoring local water bodies as well as for groundwater recharge is also a welcome one. Unfortunately there is no mention of steps to improve the efficiency of water use on the pattern of the proposal developed by the Union Ministry of Water Resources for increasing income and production per drop of water. The Economic Survey has rightly stressed that low productivity is one of the important causes of the economic distress of small farmers. It is not clear why one more demonstration model of water harvesting is needed while it is envisaged that the More Income per Drop of Water Movement will cover every block of the country through Agricultural Universities, IITs, WALMIS, and ICAR institutions. The time for 'pilots' is gone and what we need is a movement like the one which triggered the green revolution of the sixties.

The need to revitalize the extension system has been given importance but the method proposed to be adopted is unlikely to yield the desired benefit. The Agriculture Technology Management Agency (ATMA) is chaired by the District Collector who has many other jobs to attend to. There is no mention why the Training and Visit system (T&V) which was based on large World Bank loans has not been successful. The proposals to appoint a committee under Prof Abhijit Sen to review forward trading, as well as another committee to review the impact of climate change are timely. It is unfortunate that a Universal PDS system as recommended by the National Commission on Farmers, has not been introduced in the place of the targeted PDS which is riddled with corruption. India has the largest number of malnourished children, women and men in the world and it is high time that Mahatma Gandhi's suggestion "To a people famishing and idle, the only acceptable form in which God can dare appear is work and promise of food as wages" is adopted. The idea of reforming the fertilizer distribution system is good and it will be better that the large subsidies given to fertilizer companies are directly provided to farmers through smart cards, so that they can buy the needed macro and micro nutrients based on soil health cards. Soil Health enhancement is the pathway to higher productivity. I am glad the Pulses Mission started during Rajiv Gandhi's period is going to be revitalized. The single important cause for stagnation in the production of pulses is not the absence of seeds but the lack of a remunerative marketing system at the field level in dry farming areas. When remunerative and assured marketing is introduced, we can see faster progress in the production of both pulses and oilseeds. The milk revolution cited in the Economic Survey has many lessons for extrapolation to pulses, oilseeds and millets.

The Finance Minister has aptly quoted Jawaharlal Nehru's famous statement made in 1947, "Everything else can wait but not agriculture". Unfortunately it appears that agriculture not having to wait is an idea whose time is yet to come.