

Union Budget (2011-12)

No integrated strategy for Agriculture and Food Security

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The budget comes in the backdrop of an emerging global food crisis, caused partly by extreme weather events in some major food producing countries including China, and partly, by escalating petroleum price arising from the battle for democracy in the Middle East. It also comes in the wake of continuing food inflation. The last budget of Shri Pranab Mukherjee included special production efforts in Eastern India, described by the National Commission on Farmers as the “sleeping giant of Indian agriculture”, organization of 60,000 pulses and oilseeds villages, initiation of a *Mahila Kisan Shashaktikaran Pariyojana*, and several other steps in the areas of credit, fertilizer subsidy and infrastructure development. Unfortunately, most of these programmes are yet to be implemented properly and are yet to have an impact.

The major components of the 2011-12 budget relating to farming include bringing green revolution to the eastern region, integrated development of 60,000 pulses villages in rain-fed areas, promotion of oil palm, increasing the production of fruits and vegetables and the promotion of nutritious cereals like *bajra*, *Jowar*, *ragi* and other millets, and initiation of a National Mission for protein supplements through dairy farming, piggery, goat rearing and fisheries in selected blocks. Provision has also been made for accelerated fodder development programme and the promotion of organic farming methods. The target of credit flow to farmers has been increased to 4,75,000 crore and since so far most of the credit went to companies and not to farmers, Shri Mukherjee is planning to advice banks to step up direct lending to small and marginal farmers. Also the effective rate of interest to farmers who repay the crop loans on time will be 4%, as suggested by the National Commission on Farmers in 2006. Provision has also been made for more mega-food parks, for warehousing and storage and cold chains. It is proposed to attract private investment in this sector. The Finance Minister has also announced that a National Food Security Bill will be introduced in Parliament this year, to address the widespread prevalence of under and malnutrition particularly among women and children. It is also

proposed to make some of the subsidies like the one relating to fertilizers and kerosene paid to the farmers directly. The excise duty has also been reduced in the case of equipments for drip irrigation. A welcome step is the creation of the Women Self-help Groups' Fund with an outlay of 500 crore. If this is linked to the Mahila Kisan programme, it will have an impact on rural income.

On the whole the budget contains several good proposals but it lacks a vision and a strategy for keeping farmers on the farm and for attracting and retaining youth in farming. While the Finance Minister emphasized the need for reaping a demographic dividend from our youthful population, there is no strategy or programme for attracting and retaining youth in farming. Most of the farm graduates seek employment in the organized sector and are not interested in going back to villages. The major deficiency of this budget is that it has not addressed two of the goals of the National Policy for Farmers placed in Parliament in November 2007. This policy calls for an income orientation to farming and the measurement of agricultural growth in terms of growth rate in the real income of farm families. Also it calls for steps for Yuva Kisans to take to farming as a profession through an integrated action plan involving higher farm productivity and larger income from non-farm activities particularly through the provision of services which can confer the power and economy of scale to small producers.

It is unfortunate that in a year of emerging global food crisis and persistence of food inflation, an opportunity to accelerate agricultural progress and agrarian prosperity has been missed. The only hope for farmers is the enactment of a Food Security Bill which confers legal access to food. While the right to information can be implemented with the help of files, the right to food can be implemented only with the help of farmers.