

Minimum Support Price and the Second Farmers' Movement

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■ Abstract

The roots of democracy in India can be traced back to the emergence of democracy in the ancient Greek city-states. The main pillar of democracy is the maximum responsiveness of the government to the aspirations of the people. At present, the agriculture sector, on which about 58 percent of the country's population depends, contributes 18.2 percent to the country's total income. Agriculture and farmers, which are the source of the emergence of civilization, have been subjected to exploitation, injustice and atrocities since the time of monarchies. The continuous struggle of the food workers has been ignored by all governments and the fact that all governments have failed to protect the interests of the poor farmers is the voice of pain of the farmers. The fact that the crops grown by the farmers are not getting scientific prices is the root cause of the struggles of all the food workers in the world. In India, the measures taken at all times to stop farmer movements and struggles, restrict the entry of the children of the soil into the capital, and put iron nails on the roads are a mockery of democracy. As a result of the continuous struggles of the food workers, who are trapped in a series of problems such as not getting proper prices for the crops grown, excessive debt, land allocation problems, lack of standards for the sale of farmers' land, etc. The National Commission on Agriculture headed by M.S. Swaminathan, appointed by the Central Government, issued a report in 2006 containing many recommendations that are very useful for the farming community. Farmers from across India organized a farmers' movement to protest against the central government's implementation of three agricultural laws

through ordinances on 5 June 2020, which were detrimental to the interests of the farmers, and to fulfill their demands such as loan waiver, declaration of minimum support price for all crops, implementation of the Swaminathan report, etc. While governments have been ignoring the recommendations of the Swaminathan report on important aspects such as legal guarantee of minimum support price, land allocation, and criteria for sale of farmers' land. The movement, launched by more than 450 farmer organizations under the leadership of the Akhil Bharatiya Samyukta Kisan Morcha, lasted for about one and a half years and led to the withdrawal of three controversial agricultural laws. However, the government ignored many demands, such as a legally guaranteed minimum support price for all crops that protect the interests of the farmers, loan waiver, and implementation of the Swaminathan Commission report. The farmers have started a new struggle against this. Governments should realize that the empowerment of the farmers is necessary and inevitable for the comprehensive development of the agricultural sector.

■ Key words :

Movement, Minimum Support Price, Democracy, Swaminathan Commission Report

■ Introduction :

We can trace the roots of democracy in India even before the emergence of democracy in the ancient Greek city-states. There is much evidence that direct democracy was effectively implemented in the republics, associations and committees of ancient India. The main core of democracy is the duty of the government to respond to the aspirations of the people to the maximum extent. Democracy is a government that is representative of the people, formed by the people and accountable to the people. At present, the agriculture sector, on which

about 58 percent of the country's population depends, contributes 18.2 percent to the total income of the country. About 80 crore people are engaged in agriculture and related activities, among that 82 percent of the food producers engaged in the agriculture sector, which has the largest share of the population, are small and marginal farmers. Agriculture and farmers, which are the source of civilization, have been subjected to exploitation, injustice and oppression since the time of kings. As a proof of the fact that the peasantry has been subjected to exploitation since ancient times, Amir Khusrau mystically said, "Every jewel in the crown of a king is a drop of tears that has flowed and condensed from the eyes of a poor peasant." From the beginning of monarchy to the present era of democracy, the exploitation of the food earners continues. The fact that all governments have ignored the continuous struggle of the food earners and have failed to protect the interests of the poor is the voice of pain of the peasantry. Although the struggles of the food earners are going on in all countries of the world today, the governments are not responding properly to the hardships and sufferings of the farmers. They have failed to protect the rights of the food earners. In particular, the main reason for the struggles of all the food earners in the world is that the crops grown by the farmers are not getting scientific prices. In various countries, if the government makes an effort to respond positively to peaceful protests and movements, which are the essence of democracy, to non-violent protests, and to provide adequate security to the agitators. In India, it is right to mock democracy by following measures such as stopping farmer movements and struggles at all times, restricting the entry of the children of the soil into the capital, and putting iron nails on the roads. According to government statistics 296,435 farmers committed suicide between 1995 and 2019, and the recent increase in the number of farmer struggles by 700 since 2014 is a testament to the pain of the Farmers. Not getting a fair price for the crops grown, excessive debt, land allocation problem, lack of standards for the sale of farmers' land, etc. are some of the major

problems faced by the Farmers. The National Commission on Agriculture headed by M.S. Swaminathan, appointed by the Central Government to address the problems of food growers that sustain the entire ecosystem, issued a report in 2006 containing many recommendations that were very useful for the farmers. In line with the recommendations of the Swaminathan Report, the governments have been ignoring the recommendations that guided the farmers on important aspects such as legal guarantee of minimum support price, land allocation, and criteria for the sale of farmers' land. On 05 June 2020, the Central Government implemented three agricultural laws that were detrimental to the interests of food growers through ordinances and later gave them the form of legislation. The withdrawal of these three controversial agricultural laws, which threatened the privatization of the agricultural sector and the existence of food growers, loan waiver, declaration of legally guaranteed minimum support price for all crops, and implementation of the Swaminathan Report were the demands of Farmers across India. The movement, which was started by more than 450 farmer organizations under the leadership of the Akhil Bharatiya Samyukta Kisan Morcha, has been a long struggle that lasted for about one and a half years.

After about 750 farmers were martyred as a result of the continuous struggle and sacrifices of the farmers. The government responding to this, repealed the three controversial agricultural laws on 29 November 2021 without any discussion in Parliament. The life blood of democracy is open discussion with all the stakeholders before making any laws. The implementation of three controversial agricultural laws was designed to protect the interests of the capitalists, not the interests of the breadwinners, the voice of farmer organizations was that these laws were a thorn in the side of the food providers. About 750 breadwinners were martyred in this struggle. This can be called a black mark that we ourselves have put on the history of India's democracy. Even after a long struggle, sacrifices of

about one and a half years, the hardships of the farmers are increasing day by day, and the second farmers' movement has been started by the breadwinners to fulfill the demands of the farmers, such as minimum support price, farm loan waiver, pension for farmers and agricultural laborers, implementation of the Swaminathan report etc.

■ Research Objectives:

- 1) To study Reasons for the Second Farmers' Movement.
- 2) To examine is legal minimum support price make big burden on the budget.
- 3) To understand the difference between the minimum support price recommended by the Swaminathan Commission and the minimum support price being provided by the Central Government at present.
- 4) Understand the importance of agriculture in the growth of the industrial and service sectors.

■ Problem of Statement:

The present research article aims to understand the long struggle of the farmers' movement, the scientific criteria that the government should use to provide the legal support price, which is the main demand of the food providers of the country, the methods to protect the interests of the farmers, and the steps to be followed to waive the loans of the farmers.

■ Research Methodology:

Research is a method of collecting documents and arriving at a definite conclusion based on the scientific analysis of the collected information. The present research article has been subjected to analysis based on secondary literary data.

■ Analysis:

Reasons for the second farmers agitation:

Eight months after the central government announced that a committee would be formed to make support price fixing more transparent and protect the interests of farmers, while withdrawing the three controversial agricultural laws, The committee was formed in July 2022 under the leadership of former Agriculture Ministry Secretary Sanjay Agarwal. The tasks assigned to this committee mainly focus on how to do farming at zero cost, promoting natural farming and certifying products grown through natural farming, setting up laboratories, providing value to agricultural products, increasing export opportunities, strengthening agricultural markets, etc. Thus, the committee has been assigned the task of advising on how to make the support price fixing system more appropriate and more transparent by giving more importance to natural farming. Although this committee has held many meetings and workshops, the fact that it has not made any recommendations on the minimum support price so far has led to doubts among food producers. The government, which bans exports as soon as prices rise, imports of essential products, stores essential products in warehouses and sells them at low prices to protect the interest of common man. But in the case of farmers interest government not pay attention and following a stepmotherly attitude is the cry of the farmers. Legal guarantee of minimum support price (MSP) for all crops, implementation of the recommendations of the Swaminathan Commission, pension for farmers and agricultural laborers, farm loan waiver, cancellation of cases filed against farmers who protested in the farmers' struggles, and justice for the victims of the Lakhimpur Kheri violence in 2021, including the fulfillment of various demands, the second phase of the agitation led by more than 200 farmer organizations such as Samyukta Kisan Morcha, Kisan Mazdoor Morcha, Bharatiya Kisan Union. The second farmers' movement was banned by

the central government in the same way as the first movement, "Delhi Chalo", as a result of which farmers from Punjab, Haryana and Rajasthan have camped mainly at the Shambhu border and Khanauri borders, while barricades have been installed at the Singhu and Tikri borders entering Delhi, and a ban has been imposed on farmers' protests in Jantar Mantar and other areas of Delhi. The police have blocked the highways by putting up barricades and iron nails. Farmers are being lathi-charged and tear gas shelled. In the meantime, the central government has agreed to a minimum support price agreement for 5 years. This means that the central government is on the verge of bringing in a free market system after 5 years. A 21-year-old farmer, Subhakaran Singh, was killed and 12 policemen were injured in a tear gas shell fired by the police during the clashes in the "Delhi Chalo" protest of the second movement of the breadwinners. The farmers were stopped at the Shambhu border near Ambala in Haryana as part of the Delhi Chalo protest that lasted for about eleven months. The Supreme Court, which had challenged the High Court's order of 12 July 2024 ordering the Haryana government to clear the highway blocked by the farmers, said that stopping farmers on the highways was not a democratic move. On 2nd September 2024, the Supreme Court appointed a high-powered committee headed by retired Justice Nawab Singh of the Punjab and Haryana High Court to amicably resolve the farmers' agitation. The committee comprises retired IPS officers P.S. Sandhu, Devender Sharma, Prof. Ranjit Singh Ghuman, Punjab Agricultural Economist Dr. Sukhpal Singh and special invitee Prof. B.R. Kamboj, Chancellor of Chaudhary Charan Singh Agricultural University, Haryana. Meanwhile, 101 farmers wanted to enter Delhi on foot and protest, but they were not allowed to do so and were stopped by barricades, iron meshes and barbed wire fences on National Highway 44 and tear gas shells were fired. The Gandhiji-inspired fast-unto-death satyagraha was started by Punjab farmer leader Jagjit Singh Dallewal and others from 26th November 2024. In response to the agitation of the

breadwinners for legal guarantee of minimum support price and fulfillment of other demands was finally concluded after the continuous concern of the Supreme Court, the persuasive efforts of the Justice Nawab Singh Committee and the central government. Since the farmers were invited for talks on February 14 to meet their demands, they agreed to seek medical assistance and end their fast to death. It is urgent today for the central government to radically consider the just demands of the farmers and work to alleviate their suffering with a generous attitude.

■ Difference between the support price given by the central government and the support price demanded by the farmer activists:

MSP means - the minimum support price given to buy agricultural products in the market. If this is achieved, the farmers will be able to get some profit along with the expenditure incurred and continue in agriculture. The farmer organizations, which had been agitating for about one and a half years for the repeal of the three controversial agricultural laws implemented by the central government in 2020, have intensified their struggle to ensure that the government fulfills many demands, including the repeal of the controversial laws, a legally guaranteed minimum support price for agricultural products, a waiver of agricultural loans, pension for farmers and agricultural laborers, and the implementation of the recommendations of the Swaminathan Commission. The current central government is saying that it is giving the minimum support price to the farmers as per the Swaminathan Commission. But the difference between the support price currently being given by the central government and the minimum support price recommended by the Swaminathan Commission can be identified as follows. According to the Swaminathan Commission, the cost of ploughing, seed purchase, fertilizer purchase, labour cost of the farmer and his family, land cost or lease cost (which the Commission identified as

comprehensive cost or [C2]) should be added to it, but an additional amount of 50 percent should be added, which is scientifically the minimum price that the farmers can get for the crops they grow. The current minimum support price fixed by the government includes ploughing, seed purchase, fertilizer purchase cost, (which the Commission identified as A2) and labour cost (FL) plus an additional amount of 50 percent, and although the central government claims that what it is giving is the minimum support price based on the Swaminathan report, it is not the minimum support price recommended by the Swaminathan Committee. In fact it does not include the cost of land or lease cost. Therefore, it is not a cost based on comprehensive cost. The government is blindly ignoring the fact that farmers are suffering a lot from this. Along with this, the central government, while deciding the minimum support price, announces a uniform minimum support price across the country. This is also causing losses to the food suppliers. The cost of production varies from state to state depending on factors such as weather, irrigation etc. The Swaminathan Commission had identified in its five reports that the cost of production should be fixed separately for each state, because there is a difference in the cost of production in each state. Thus, after identifying the cost of production of each state separately, it has recommended that the integrated cost of production (C2) should be fixed for each state on its basis and an additional amount of 50 percent should be added to it and the minimum support price should be fixed. At present, the central government is providing a minimum support price only for 23 crops that are mainly grown in the country. But the demand of the farmer activists is a legally guaranteed minimum support price for all crops. Recently, the Parliamentary Standing Committee on Agriculture, Dairying and Food Processing has also recommended the implementation of legally guaranteed minimum support prices. It is the duty of the government to declare a legally guaranteed support price for all crops grown in the country.

■ **The claim that a huge amount is required for the declaration of a legally guaranteed minimum support price:**

The food producers are waging many struggles for the demand of a legally guaranteed minimum support price, and if a legally guaranteed minimum support price is given to all crops, a huge amount of Rs 14 lakh crore is required. Can the government provide that much money? And how is it possible to allocate money to buy it like that? But in reality, there is no point in the argument that the government should purchase all crops or buy crops that are sold at a price lower than the support price. The main things that need to be done to make the statutory minimum support price available to the food producers are

- a) Expansion of procurement – The share of pulses, grains and oilseeds in the food security scheme should be increased along with increasing the procurement.
- b) Effective market intervention – When the price falls below the minimum support price in the market, the government should intervene and limit the procurement, and the power of farmer producer organizations should be strengthened. The number and capacity of warehouses should be increased.
- e) Guarantee to pay the shortfall amount - After proper implementation of procurement expansion and effective market intervention measures, the Central Government should directly pay the difference between the minimum support price and the market price for such crops for which the market price is lower than the minimum support price. This is the statutory minimum support price.

Thus, to provide the legally guaranteed minimum support price to the food grains, the government has to pay the difference between the price scientifically fixed as per the recommendations of the Swaminathan Commission and the price at which it was sold in the market to the food grains. It is important to note that the government has to intervene only when the market price is lower than the

minimum support price. At the current rate, it costs 0.5 percent of the Central budget to provide the legally guaranteed minimum support price. Even if a scientific (as per the recommendations of the Swaminathan Commission) support price is given as per the demand of the food grains, it will cost 4.2 percent of the Central budget.

■ Is the demand for farmers' loan waiver possible?

According to the NABARD Bank report, the total debt of the food growers till 2021-22 is 23.44 lakh crore. The big question is whether it is possible to waive such a huge amount of debt. In the last ten years, Indian commercial banks have waived off 12 lakh crore loans and 40.27 lakh crore loans of the country's 27 leading industrialists have been waived off. When the entire farming community is out of debt and most of the food growers are going on loans, the government's contribution to this amount will help 70 percent of the population which live comfortably and there by pave the way for economic recovery. The government can also plan to waive this amount in phases without causing too much burden.

■ Half-truth about the share of the agriculture sector to GDP:

It is a common thing that food growers have been ignored during the tenure of all governments. The main reason for this is that the contribution of industries in the secondary sector and the service sector in the tertiary sector to the country's overall GDP is higher than that of agriculture in the primary sector. Although this may seem like a correct thing to say, it is only a relative truth. For example, according to the data of the Department of Statistics and Planning, as of 2 October 2024, the contribution of the service sector is 54.7 percent, the contribution of the industrial sector is 27.6 percent and the contribution of the agricultural sector is 17.7 percent. The agricultural sector is the main reason for the growth of the service sector and the industrial sector. Industries can function only with the raw

materials produced by agriculture and agro-related sectors. If the production of the primary sector of agriculture and agro-related sectors increases, then naturally the growth of industries in the secondary sector is possible. Thus, the growth of the service sector will increase. It is very important to consider their sources while considering the sector-wise GDP contribution.

■ The necessity of agricultural sector development as a solution to unemployment:

As a result of all the governments giving more importance to the industrial and service sectors, people are moving away from the primary sector, agriculture and the agro-related sector, and their dependence on the secondary and tertiary sectors is increasing. With the decrease in agricultural production, the income of those dependent on agriculture is decreasing. The government can find a solution to the current unemployment problem by fixing a legally guaranteed minimum support price, waiving loans and taking necessary measures to protect agricultural products.

■ Recommendations:

- 1) Currently, the responsibility of declaring and purchasing minimum support prices is limited to the central government alone, and since agriculture is included in the state list, the state government and the central government should jointly bear the responsibility of declaring and purchasing minimum support prices guaranteed by law.
- 2) Encourage farmers to grow all types of crops. This will reduce the import burden and save foreign exchange.
- 3) Implement the Swaminathan report properly.

- 4) To prevent a few states from getting the benefit of support price by announcing a legally guaranteed support price for all crops.
- 5) To formulate appropriate measures for complete loan waiver of farmers by the Central Government and the State Governments.

■ Conclusion:

Farmers are facing many difficulties today as a result of ignoring the demands of the food earners, Who have been exploited for centuries, and many governments have fallen as a result of ignoring the food earners. It is not the right move of a democratic government to increase the anger of the poor to the extent that the food earners try to enter the capital of the country through protests to get the legally guaranteed minimum support price that they should get. Living a dignified life is the right of everyone, and it is the need of the day for the Central Government to fulfill the just demands of the food earners, reduce the hardships and sufferings that the food earners have been experiencing for centuries, and to protect the country's agriculture and farmers by implementing the Swaminathan Report.

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