

# SAMYUKTA KISAN MORCHA

## MISSION UP - DEFEAT ANTI-FARMER BJP

### NOTE ON MINIMUM SUPPORT PRICE

The repeal of the three anti-farmer laws after a year-long struggle by farmers across the country has only averted a dangerous situation that would have developed in the future. The present agrarian crisis -- marked by low prices, no assurance of government procurement, crop failures, and mounting debt -- continues to unfold under the Modi regime.

#### ALL INDIA SITUATIONS

In the last 30 years, most farmers, especially, small and marginal peasants, have been living from one debt cycle to another. The number of suicides since liberalisation exceeds 4 lakhs, with 1 lakh farmers committing suicides since 2014.. Why is this so? Here it becomes necessary to debunk the lies spread by the BJP-led central government that MSP is remunerative. The CACP that recommends MSP for different crops to the Central government takes into account  $A_2+FL$  as the cost of production, which is much lesser than  $C_2$  (that includes interests on capital and rent of land) costs. Further, there is a significant difference between CACP's projection of  $C_2$  and the projection of the same by different states.

If we compare  $C_2$  cost projection of State and CACP for **Paddy** in Andhra Pradesh, it is Rs 2,114/Qtl and Rs 1,559/Qtl i.e. Rs 555/Qtl lesser; for Punjab it is Rs 1,995/Qtl and Rs 1,272/Qtl i.e. Rs 723/Qtl lesser; for Kerala it is Rs 2,852/Qtl and Rs 2,044/Qtl i.e. Rs 808 lesser, for Karnataka it is Rs 2,733/Qtl and Rs 1,635/Qtl i.e. Rs 1,098/Qtl lesser. For **Arhar(Tur)** in Karnataka the State  $C_2$  projection is Rs 6,399/Qtl while CACP claims it is only Rs 4,961/Qtl i.e. Rs 1,438/Qtl lesser. In the same State for **Moong** it is Rs 9,456/Qtl and Rs 6,173/Qtl respectively implying lesser by Rs 3,283/Qtl. Clearly, there is a huge discrepancy in cost calculations and the arbitrary manner in which costs are calculated by CACP is also exposed.

Therefore, the meager MSP announced by the Central government fails to provide an adequate income to farmers. When we compare the prevailing MSPs to MSP as recommended by Swaminathan Commission at  $C_2+50\%$ , it is clear why farmers are not pleased with just the repeal of the three anti-farmer laws.

Crop	A2+FL (Rs/quintal)	C2 (Rs/quintal)	C2+50% (Rs/quintal)	MSP (Rs/quintal)	C2+FL-MSP (Loss/Qtl)
<b>Paddy</b>	1293	1727	2590.5	1940	<b>650.5</b>
<b>Jowar</b>	1825	2478	3717	2738	<b>979</b>
<b>Bajra</b>	1213	1579	2368.5	2250	<b>118.5</b>
<b>Ragi</b>	2251	3004	4506	3377	<b>1129</b>
<b>Maize</b>	1246	1654	2481	1870	<b>611</b>
<b>Arhar</b>	3886	5291	7936.5	6300	<b>1636.5</b>
<b>Moong</b>	4850	6110	9165	7275	<b>1890</b>
<b>Urad</b>	3816	5133	7699.5	6300	<b>1399.5</b>
<b>Groundnut</b>	3699	4732	7098	5550	<b>1548</b>
<b>Soybean</b>	2633	3439	5158.5	3950	<b>1208.5</b>
<b>Sunflower</b>	4010	5027	7540.5	6015	<b>1525.5</b>
<b>Sesamum</b>	4871	6653	9979.5	7307	<b>2,672.5</b>
<b>Nigerseed</b>	4620	6441	9661.5	6930	<b>2731.5</b>
<b>Cotton</b>	3817	5169	7753.5	5726	<b>2027.5</b>

Moreover, it is a well-known fact how only a very minor share of the total procurement takes place at the prevailing MSP. According to a recent situation survey done by the government approximates the number of rural households in India to 93.1 million. For most crops for which MSP exists, procurement by state agencies did not amount to more than 10% of the production in 2018-19. Only 8.6% of agricultural households cultivating paddy sold to a procurement agency, with the

figure for wheat at a low 4.9%. This means that most farmers were forced to sell in the open market, where rates fall drastically below the prevailing MSP rate.

An extreme example of this is in front of us. One only needs to turn to the recent havoc created by excess rainfall in the Terai region in Uttar Pradesh, where floods have destroyed up to 70% of the crop and reduced yield by half or more. Now, at such a time, when the Yogi government should have ensured procurement of the remaining harvest from farmers at MSP, flood-hit farmers are selling their paddy produce, for example, at Rs 800 to Rs 1,100 per quintal to open market traders. UP farmers are not the only ones affected by the wrath of nature. Since October, lakhs of hectares of harvest have been lost to cyclones and unseasonal rainfall in Odisha, Bihar, Karnataka, while cotton fields in Punjab and Haryana have been ravaged by Pink Bollworm. Imagine the plight of farmers now, who were already making a loss the prevailing MSP, but were unable to sell it at that rate too. Imagine the plight of this farmer, whose fields were then inundated with floodwater and his yield, fell drastically. The farmer wonders, should he kill himself? One year of struggle has taught him that he must assert his right to a decent living.

## THE CASE OF UTTAR PRADESH

On the one hand, UP farmers get a pittance as rates for their produce. On the other hand, the government gives Rs 6,000 every year to farmers under Yogi-Modi's Raj. Clearly, this is an example of the policy of "*Ek hath de, dusre haath le*" in which the total loss is of the farmer. According to the recommendations of the Swaminathan Commission, every farmer should get the price for his crop at one and a half times his cost. The Yogi-Modi government had promised but never actually implemented it. As a result, today when farming has become many times more expensive than before as seeds, diesel, fertilizers and wages of workers have all risen. Further, there is such a situation of shortage of manure that farmers are dying and committing suicide while waiting in long queues.

Had the  $C_2+50\%$  MSP been ensured, the farmer would have got at least ₹2,590 per quintal for paddy. However, as announced by the government this year, the MSP of paddy is only ₹ 1,960 (for A-grade paddy), which means that if there was a guarantee of procurement at MSP, the farmer would have lost ₹630 per quintal when compared to a  $C_2+50\%$  MSP. But the situation is such that, in Uttar Pradesh, due to lack of an assured price on MSP, the farmer is forced to sell paddy at ₹ 1,100-1,300 per quintal. As against  $C_2+50\%$ , the farmer is losing around ₹1,290 per quintal. In an acre, if the production is 20 quintals, a farmer should get ₹51,800 per acre as per  $C_2+50\%$ , but gets only ₹22,000.

**If the Yogi government ensures just the MSP@ $C_2+50\%$ , there will be no need to provide ₹ 6,000 to farmer under the Kisan Samman Yojana. The farmer will be happy with an adequate income from farming, and the government too can use the money spent in this scheme in other areas.**

The thing to remember is that most of the time farmers do not even get MSP announced for the current year at Rs. 1960/quintal and they have to sell their produce at market price. This year's market price of paddy in Uttar Pradesh has gone down to Rs 1,100 per quintal. That is, most of the farmers who could not sell their paddy to the government have suffered a loss of at least Rs 860 per quintal i.e. more than Rs 17,200 per acre in every season and more than Rs 34,000 per acre every year.

Secondly, apart from paddy, farmers who grow sugarcane, potatoes or other vegetables and pulses etc also have to suffer more than paddy farmers, and Kisan Samman Yojana's Rs 6,000 is an eye-wash for them, especially as Yogi-Modi have allowed market forces to make huge profits, in which the real loss lies with the farmers.

Take, for example, the condition of potato farmers. The farmers of Uttar Pradesh produce more potatoes than other states of India, but their financial condition is not better if not worse than the farmers of other states. They do not get the right price for their own product and most of the time they are forced to live under the burden of debt. There is no government procurement of potato and most of the farmers have to sell it at market price which is hardly Rs 300 to 400 a quintal. Secondly, the retail price of potatoes ranges from ₹15/kg to ₹35/kg in the open market. That is, a farmer buys potatoes he himself grew from big traders and middlemen at 5-6 times the price. On the one hand, the plight of the farmer does not end, and on the other, the pockets of the big trader keep getting heavy. Now in such a situation even if potato farmers get Rs 6,000 under the Kisan Samman Yojana, then in reality only a part of their losses will be compensated and they would continue to remain poor and in debt.

## COMPARISON WITH OTHER STATES

Yogi Adityanath's government claims that Uttar Pradesh is ahead of other states in India under his leadership and is the biggest benefactor of farmers. The reality is quite the opposite. All of us know this because we experience it in our everyday lives. However, to refresh our memories, let us make some comparisons. By looking at the table below carefully, we find that the farmers of Uttar Pradesh get a lesser price for each major crop when compared to most of the other states. For example, comparing the prevailing prices of paddy, we find that while a farmer in Kerala gets Rs 2,800 per quintal, the government declared price in Uttar Pradesh is not even Rs 1,960. **This means that the average farmer of Uttar Pradesh gets at least Rs 34,000 less per acre than the average farmer of Kerala.** We should also see that due to less government procurement in Uttar Pradesh as compared to many states, farmers have to sell their produce at market price and they are mostly sold at much less than MSP.

Table 1: Comparison of Support Price of Paddy and Farmers' Income in Selected States

**Average yield per acre: 20 quintals**  
**Price as per C<sub>2</sub>+50% = Rs 2,590 per quintal**

State	MSP (Rs/Quintal) A <sub>2</sub> +FL	Prevailing Rates (Rs/Quintal)	Farmer's income per acre at prevailing rates	Difference in prevailing rates compared to Kerala	Loss accrued to farmer per acre for not getting rate at C <sub>2</sub> +50%
Kerala	Rs 2,800 with bonus	Rs 2,800	Rs 56,000	-	No loss, instead profit of Rs 4,200
Punjab	Rs 1,960	Rs 1,960	Rs 39,200	Rs 16,800	Rs 12,600 Loss
Jharkhand	Rs 1,960	Rs 1,200	Rs 24,000	Rs 32,000	Rs 27,800 Loss
Uttar Pradesh	Rs 1,960	Rs 1,100	Rs 22,000	Rs 34,000	Rs 29,800 Loss

The condition of sugarcane farmers in Uttar Pradesh is also worse when compared to other states. The government procurement price of sugarcane in Haryana is Rs 362 per quintal and in Punjab Rs 360. After much uproar, the Yogi Adityanath government in view of the upcoming assembly elections increased this price to Rs 350. However, the condition of sugarcane farmers of Uttar Pradesh is not going to improve just by increasing the government procurement price. The sugar mills owe farmers Rs 19,536 crore, which is more than the arrears in any other state. It is also worth noting that two years ago, i.e. in 2018-19, the sugarcane farmer was owed ₹ 9,953 crore. The outstanding price doubled in two years. Sugarcane industrialists are running their mills on farmers' money, while the sugarcane farmers have been forced to take loans to meet their family expenditure. For example, in Maharashtra, this arrear is only 1,600 crores and yet the farmers there have opened a struggle front against it. The UP government then has the audacity to declare the farmers as terrorists and mow them down with vehicles when they put forward their demands.

### WHAT DO WE WANT?

Our demands are very clear. Firstly, no government in Uttar Pradesh that protects the interests of the big traders and big capitalists will get the support of the farmers. We want that the government of Uttar Pradesh should declare the support price of all the crops at the rate of one and a half times the cost, (i.e. at C<sub>2</sub>+50% rate), guarantee government procurement and take action against every trader and company who buys at less than the support price from the farmers. The government should ban profiteering, and make law to redistribute a share of the big traders' profits back to the farmers.

Brothers and sisters, we know that Yogi and Modi, who are intoxicated with power, are not accepting our demands because theirs is a beloved government of big capitalists, corporate and big businessmen. So if we want to fix our condition, then this government will have to go by all means. Please extend your full support to the farmers' movement under the leadership of the Samyukta Kisan Morcha, (SKM) and ensure the defeat of BJP in the upcoming Uttar Pradesh Assembly elections.