

Farm friction: on the malaise in agriculture

Since June 1, many farmers are on an unusual 10-day 'strike' to draw the government's attention to distress in the fields. [A federation of 130 farmer bodies](#) has decided to stop supplies of vegetables and dairy produce to major cities and hold a dharna on 30 national highways, without blocking vehicular passage. Prices of vegetables and fruits are inching up in urban centres given the supply shock created by this '[Gaon Bandh](#)'; in cities like Mumbai fishermen have joined the cause. The farmers' demands are not new — enhancement of the minimum support price regime for crops in line with the M.S. Swaminathan Commission's recommendations, higher prices for milk procurement and loan waivers to offset low or negative returns on investment. Leaving out vegetables, food prices rose by just 0.55% in the first four months of 2018 — almost a fourth of the average 2% rise recorded in the same months between 2014 and 2016. There is a supply glut, and with a good monsoon expected, a healthy output could put additional pressure on prices. But this stir, which ends with a Bharat Bandh call on June 10, is not about the immediate crisis faced by specific sections of farmers (such as the cash-strapped sugarcane-growers for whom a cess is being considered under the GST regime). It is a [culmination of multiple attempts](#) made over a year to red-flag the systemic malaise in agriculture.

On June 6, 2017, some farmers were killed in police firing in Mandsaur, Madhya Pradesh, during an agitation for better crop prices. There have been agitations across the country since then, including in Tamil Nadu, Punjab, Haryana, Maharashtra (where thousands of farmers walked nearly 200 km to the State capital in March). The current stir also derives from lack of tangible action on assurances made earlier and imperceptible movement on the Centre's grand promises such as doubling farm incomes and raising MSPs. That the general elections are just a year away adds a political sub-text to the protest. Rural distress has dented the BJP's electoral performance in recent months. Too much of the structural reform agenda to free agricultural markets from the grip of government rules and intermediaries remains pending. There has been dithering even on simple things like strengthening the food processing sector. Take one instance — 100% FDI was allowed in the food retail business in 2016, but little money has come in as retailers want permission to stock a few non-food items like soaps and shampoos for customers. The minister in charge had promised this over a year ago, but nothing happened. Blaming the agitators is easy; policy responses are where the heavy lifting is needed.

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