

# SALT SECTOR CRISIS PINCHES LIVELIHOOD OF LAKHS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

A salt farmer busy at work at the Little Rann of Kutch near Patdi, Gujarat. VIJAY SONEJI VIJAY SONEJI

Bharat C. Raval, president of the Indian Salt Manufacturers' Association (ISMA), started his career as a salt inspector with the Gujarat government. After spending 19 months in the government, he was attracted towards the salt cooperatives initiated by none other than Verghese Kurien, the Milkman of India.

Kurien trained Mr. Raval at the Sabarmati Salt Farmers' Society where he joined in April 1988 as a procurement executive. Nearly 35 years later, Mr. Raval feels that the salt industry is facing huge challenges in meeting the demand and in tackling the realisation crisis faced by salt farmers.

Initially, the society where Mr. Raval worked produced 30,000 tonnes of salt. It reached up to 7,00,000 tonnes in three years, by 1991. "We have also operated CSR activities those days by providing health infrastructure support to salt farmers. Farmers were getting Rs. 17 per tonne when we entered the sector and the price went up in the first years to Rs. 27 per tonne and touched up to Rs. 70 by 1991. That was the beauty of the cooperative development," Mr. Raval said.

There are not much changes considering the cost of living. About five lakh people work in the salt industry directly and indirectly. At the moment, a farmer earns about Rs. 250 to Rs. 300 for a tonne of salt he or she produces. The prices keep fluctuating. Gujarat produces about 28.5 million tonnes of salt per year, which is more than 80% of the country's total production. While farmers are facing low price as there is no minimum support price, workers are also in distress due to a lack of proper system for wages and social security. There are about 12,800 salt processing units in Gujarat's coastal belt, out of which only 119 are considered as medium and large.

The problem of salt industry is turning into a political issue. The manufacturers have been knocking the doors of the government, along with the farmers. Very recently, Mr. Raval wrote a letter to Prime Minister Narendra Modi on behalf of the salt manufacturers association. He said in the letter that salt, being a cheapest commodity, is getting the last priority of attention from the government. He warned the Centre that if the neglect continued, India may lose its position as the world's third largest producer of salt. "Most of our demands are as old as the freedom movement. Mahatma Gandhi fought against the tax on salt. Even after 75 years of independence, the laws that govern this industry are framed by the British. 120 years ago, Britishers got salt from Mandi in Himachal Pradesh by mining. Therefore, the British put salt production as mining. Hardly 0.5% salt is produced by mining. 99.5% salt is produced either from the sea water or from the sub soil water and the entire process done by seeding, cultivation and harvest. It is a seasonal industry and it should be considered as agriculture," Mr. Raval says.

The production units and farmers say that all laws pertaining to the industries are applicable to salt production even though the production is done through simple solar evaporation as it is

listed as mining industry. "As of now, demand and supply are almost same. We produce 36 million tonnes of salt and our demand, including for export, is 31.5 million tonnes. In the future, if the government doesn't take care of this industry, we will definitely be in trouble. The demand rises at the rate of 8% and the production increase is just 3%," Mr. Raval said. Salt is a central subject as item No. 58 of the Union list of the 7th Schedule of the Constitution. The industries demand that there should be a nodal agency with common rules and regulations. "Salt is a central subject and land is a state subject. Salt has two parents and no one is taking care of salt. Responsibility has to be fixed on governments and manufactures. We need a new Salt Act as a common policy for entire country," Mr. Raval demands.

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