

FARMERS BADLY HIT BY DEMONETISATION: AGRICULTURE MINISTRY

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Taxation & Black Money

Millions of farmers in India were unable to buy seeds and fertilizers for their winter crops because of demonetisation, according to a report submitted by the Union Agriculture Ministry to the Parliamentary Standing Committee on Finance.

This official acknowledgement of the impact of demonetisation comes on a day when Prime Minister Narendra Modi, speaking at a rally in Jhabua, Madhya Pradesh, said that he used the “bitter medicine” of demonetisation to bring back money into the banking system and to give “proper treatment to deep-rooted corruption system” in the country.

The Parliamentary Standing Committee on Finance, headed by Congress MP Veerappa Moily, was on Tuesday briefed on the impact of demonetisation by the Ministries of Agriculture, Labour and Employment, and Micro, Small and Medium Enterprises.

‘Not enough cash’

The report submitted by the Ministry of Agriculture, reviewed by *The Hindu*, said that demonetisation came at a time when farmers were engaged in either selling their Kharif crops or sowing the Rabi crops. Both these operations needed huge amounts of cash, which demonetisation removed from the market. “India’s 263 million farmers live mostly in the cash economy,” the report said, adding, “millions of farmers were unable to get enough cash to buy seeds and fertilizers for their winter crops. Even bigger landlords faced a problem such as paying daily wages to the farmers and purchasing agriculture needs for growing crops.”

Sale didn’t pick up

Even the National Seeds Corporation (NSC) failed to sell nearly 1.38 lakh quintals of wheat seeds because of the cash crunch. The sale failed to pick up even after the government, subsequently, allowed the use of old currency notes of Rs. 500 and Rs. 1,000 for wheat seed sales.

Sharp questions

According to sources, the Standing Committee sent the team of bureaucrats from the Agriculture Ministry packing because the Secretary, Agriculture, did not show up.

Many of the Opposition members raised sharp questions during the meeting. According to sources, All India Trinamool Congress’ Dinesh Trivedi asked if the government was aware of a report by the Centre for Monitoring Indian Economy (CMIE), which stated that 1.5 million jobs were lost during January-April 2017 post-demonetisation.

The Labour Ministry filed a laudatory report on demonetisation.

The Ministry said that comparisons of quarterly employment surveys (QES) for the periods just before and after demonetisation revealed an increase of 1.22 lakh and 1.85 lakh respectively in the fourth and fifth round of the QES, in the total employment for establishments with 10 or more workers.

Farmers' distress is an important issue in three of the five States that are facing Assembly poll — Madhya Pradesh, Rajasthan and Chhattisgarh.

Our existing notification subscribers need to choose this option to keep getting the alerts.

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

crackIAS.com