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RIGHTS OF FARMERS AND FOOD SECURITY: AN ANALYTICAL STUDY

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The tragedy of hunger in many parts of the world is incompressible alongside the affluence and over consumption in other parts. Poverty is still the main explanation for hunger. Significantly 70% of the worlds hungry are involved in agriculture themselves either as smallholder or as land less laborer. These simple truths show that something is clearly wrong in how agriculture and the system are organized both worldwide and nationally. To ensure food security and reduce poverty levels, urgent changes and responses are needed from the government, the research community including the international agriculture research centers, the private sector, the international financial community, international cooperative agencies, the retail business and society at large. Every producer is having the right to fix the cost of its production and its price in the market except for the farmers who are they denies their right to get remunerative price for their production. The concept of farmer's rights was developed in response to the exploitation of intellectual property rights in plant varieties and remunerative price mechanism which is in vicious circle.

In this paper an attempt has been made to discuss the strategies for cultivating farmer's rights –reconciling food security, indigenous agriculture and TRIPS. The rise of international treaties awarding intellectual property rights in plant genetic resources to plant breeders brought with it erosion of agriculture biodiversity as well indigenous farmers' life styles. Farmers' rights emerged in recognition of the role of traditional farmers' places in conservation, creating and promoting genetic diversity in the food supply and of the importance of maintaining traditional agriculture practices.

Introduction:

Various conceptualizations of the problem of food insecurity and various definitions of food Security has been in use since the 1970s. These have reflected the varying concerns of the academics, the practitioners etc., over the years. In the year 1970s, many of the definitions of food security concentrated on the concern towards building up national or global level food stocks, i.e., the importance of the physical availability of food stocks (Frankenberger and Maxwell, 1992). Thus, food security in the 1970s was interpreted as, "availability at all times of adequate world supplies of basic foodstuffs…, to sustain a steady expansion of food consumption… and to offset fluctuations in production and prices" (UN, 1975).

As time progress, definitions start to change and ideas have started to become ordinances. Let us analyse the food grain productions. The Total food grains production can collapse and to meet the obligation, government may be forced to import food grains, which may inflate world prices and increase our costs. Thus, till the time Food Corporation of India (FCI) expands its coverage, the implementation of distribution of food grains under the food security could be very risky. If FCI can effectively procure food grains at MSP from all over the country, farmers would have the incentive to produce grains. At present, FCI largely operates only in few selected states, farmers would sell at a price lower than the MSP. Those who were not covered earlier would now get a higher price and would have the incentive to produce more.

If on the other hand, FCI is not able to expand its operation to cover the country, farmers who grow food grains for their own consumption would stop growing food grains, as it would be more profitable to grow something else and obtain food grains at low price. This is already being observed in Chhattisgarh.

Even when FCI operations were to cover the whole country, the task is daunting. Currently 75% of rice and 60% of wheat are marketed out of 100 to 105 metric tons of rice and 90 to 95 metric tons of wheat produced of this 40% to 45% by FCI amounting to 65 metric tons of rice and on an average over the last two years, FCI also procures about 0.15mts of coarse grain out of production of 40mts with universal procurement, the marketed surplus would increase by 5 to 10 percentage points for wheat and rice and nearly 100 percentage for coarse grains as all those farmers who retain food grains for self-consumption will sell them to FCI.

FCI share of procurement will increase, also the demand in the free market will be much lower and traders would buy smaller quantity.

The low price at which food grains are to be distributed would certainly increase consumption which is desired. However, it could also divert food grains to animals. When bread prices were not changed for more than 15 years farmer feed bread to animals. This would wipe out hunger and protect the farmers to get remuneration prices. I doubt if the consumption of cereals on average is 10.7 kg/person/ month .Thus, a consumer after getting 5kg cereals as the FSB will still need to buy 5.7kg from the market. What would be the impact of FSB in market prices of cereals is difficult to assess. It will depend on zero effective, if the procurement of Food grains is at MSP. If the procurement is 100% effective, market price would be at least as high as MSP. Today procurement operations are effectively carried out only in few states and districts. Thus, market prices in rural areas of many states are less than MSP. Thus, a poor person will get a subsidy of Rs: 50 for the 5kg she will get from the FSB at Rs 10/kg she may have to spend Rs 20 to 30 more for the 5.7 kg. The impact on reduction of rural poverty and by implication hunger will depend on the additional coverage and is difficult to assess but is likely to be small, it would impact on farmers Rights to get MSP.

As per latest MSP announced, the farmers are demanding higher prices due to increase in costs. The difference between MSP and PSP would be more than Rs 10/kg, if one counts the cost of procurement, Mandy charges, distribution cost, etc.

Is there any better way to deal the problem?

If farmers decide not to produce food for self-consumption (as they will get food at throw away price under the FSB production) it may be seriously affected. Since in essence, FSB is only providing income support, a direct cash transfer would be a better way for; it would eliminate all the distribution in food production and markets that FSB would involve.

Those who support food grains distribution in kind argue that it would increase consumption. Himanshu and Sen (2013) have shown that food in kind has higher impact on consumption of cereals than cash transfer. However, cash transfer can be twice as large as income support provided by PDS with same outlay by the Government, as the cost of operating cash transfer would be much smaller. With this, the impact on cereal's consumption would be similar to the kind of provision by PDS.

I have argued for many years and supported the use of smart cards or food coupons, which was endorsed by Economic Survey 2009-10. A person can go to any shop and buy a designated food item at market price by paying part of the cost through smart or food coupons. The trader can exchange the coupons for money at any bank. These coupons would eliminate the diversion of PDS grains by the traders. In fact, it will eliminate the PDS itself. It would however, involve the problem of printing and distributing the coupons to the poor, who will have to be identified.

Should entitlements be linked to purchase of food grains, or should one do cash transfer? Linking transfer to purchase of food grains increases the transaction cost for the consumer which will encourage self-selection and better off consumers will stay away. A problem of linking entitlements to Aadhar card is that the entitled woman or person may be unable to go to a shop due to sickness or some emergency. This can be taken care of by permitting two members of a household to avail of the entitlement.

An unlinked cash transfer will enable the family to spend the money as it wishes, say on milk or on sending the child to a better school. As is now well recognized, the transfer should be made in the name of the woman of the household to empower her. If this is done through Aadhar cards, only she can use the money.

Since cash transfer linked to Aadhar can significantly reduce (if not eliminate) diversion, the total outlay even with near universal coverage can be much smaller than the present outlay. Thus, Rs 1, 00,000 corers can provide Rs 5000 per year to each of the 200 million households. If we assume that of the 240 million households in the country, 40 million relatively rich households can be excluded. The cost of administering cash transfers should not be more than Rs 5000 crores.

If resources are required for implementing FSB, they have to be found. It would be great if the government can find these by eliminating many other subsidies, such as on diesel and LPG. If not, FSB will only add to inflation. Increasing poverty and hunger and neutralizing and benefit that may accrue to the poor FSB.

Farmer's Right and Food security: the new legislation in India

The plant protection and Farmers rights bill in India is genuine legislation in accordance with the commitments made in TRIPS. It has not mentioned farmer's rights. These draft bills were deeply flawed, not only because it ignored the interests of farmers but also because it was modeled on left UPOV (Union for the protection of new plant varieties). The forums regularly broaden rights in industrialized nations. The UPOV has no notion of farmer's rights, food security, livelihood and related concepts are so cruel, not only to the Indian conditions but also to the condition of all developing countries. The Indian plant varieties Act in its first version had, as a result of its UPOV percentage, also neglected to address the issues fundamental to Indian agriculture and farming communities.

Even today the bill remains a flawed legislation because although the title has been expanded to plant variety protection and farmer's rights act to send the signal about concern of farmers, the inequities that were originally drafted into the bill continue to be there. The philosophy and language of the draft legislation is not Indian. It is anchored in the WTO and UPOV.

The current version of the Bill has essentially three major flaws of which the most alarming is the weak farmers rights, the second is the irrational conditions for operation ling Compulsory Licensing and the third is the thoroughly inadequate authority constituted to oversee the implementation of the Act. The diluted Farmers rights in the Act strikes at the very root of food security and hence it should not be accepted under any circumstances. What the Act contains under Section 31 which spells out Farmers Rights is "Nothing contained in this Act shall affect the right of a farmer to save, use exchange, share or sell his farm produce of a variety protected under this Act provided that a farmer shall not be entitled for such right in case where the sale is for the purpose of reproduction under a commercial marketing arrangement"

Simply stating, this means that once the farmer plants a variety of seed on which someone has a breeder's right, farmers right will allow that he or she can sell the product of the farm. The farmer will also have the right to save this seed; it could be interpreted, to sow the next crop, although this is left ambiguous in the language. The Farmers right does not clearly spell out that the farmer has the unequivocal right to save his farm produce in the form of seed for him, to sow the next crop. The New law also allows the farmer to exchange and share his farm produce with others.

However, what the farmer cannot do, according to new law is sell seeds. This is really the most devastating blow to the rights that farmers have today. According to Section 31, the farmer is not entitled to sell any part of his farm produce for reproduction which is the purpose of seed. Any lawyer will tell you, and Gene campaign has consulted them, that prohibiting sale of seed under 'Commercial marketing arrangement' means a complete denial of the right to sell, whether the sale is of one kilogram or 1000 kilograms. It is clear that under the new law, sale of seed is prohibited to the farmer.

Today, the government commits 58 million tonnes of grain to the PDS, ICDS and Mid-Day Meal (MDM). This will increase by 5 million tonnes, to 63 million tonnes with the NFSO. The government procures about 30% of total production[3] and only needs to continue to do so. The remaining 70% of grain trade in wheat and paddy in the private market will remain unaffected even after the NFSO is implemented. The overall requirement of grain and the share of public procurement in total production will change only marginally as a consequence of the NFSO. Consequently, the claim that India will become dependent on imports and that the NFSO will lead to higher prices for non-beneficiary households is baseless.

When confronted with this, the babus in the Agriculture Ministry have waffled endlessly and unconvincingly, that the wording denying sale under 'commercial marketing arrangement does not impinge on the farmers' right to sell seed. It only restricts, they argue, the farmer selling seed branded with breeders registered name. One political party has labeled the NFSB as "anti-farmer". When a senior spokesperson was asked to explain how in a televised debate, the only response he could manage was "we will do it in Parliament"! In fact, government procurement through the FCI is welcomed by farmers as it enhances their choices -to sell in the private market or to FCI. Without FCI, farmers would have no option but to sell to private traders. Some argue that the NFSO will further strain Punjab and Haryana's agricultural sector. Again, the facts tell a different story: procurement has become more decentralised since 2004-2005 and the combined share of non-traditional states (Andhra Pradesh, Chhatisgarh and Odisha) in paddy procurement has risen to 33-45%.Others feel that if grain is provided at Rs. 1-3/kg (0.2-0.3 USD approx./ kg), those farmers who produce for self-consumption will stop doing so. Chhattisgarh's experience with decentralised procurement and an expanded PDS does not corroborate this. The obvious question then is, if that is what is truthfully intended: why not just make the wording of the draft Act clear and unambiguous? Why do it in such a complicated way, saying one thing but meaning something else?

The second portion can quite easily read provided that a farmer shall not be entitled for such right in case where the sale is for the purposes of reproduction under a branded marketing arrangement or another version could…… to such entitled to such a right where the sale is in the form of packaged and labeled seed . These formulations would protect the rights of the breeder paver his/ her certified variety. They would also protect the rights of the farmer to sell seeds of the variety protected by a Breeder Right but the special advantage conferred by the registered name would be available only to the breeder, not the farmer. The breeder would be monetarily compensated by the royalty in every sale.

The farmer having the right to sell seed is an essential component of our food security and simply cannot be trifled with. The consequences of denying the farmer the right to sell seed will lead to impoverishment and dependence for farming communities. It will also impact on national security in a quite dangerous way.

The denial of the right to sell will lead to loss of income for the farmer, from seed sale. Far more worrying is that, it will lead to the farming community losing control over seed production. This will ultimately threaten self reliance in agriculture. There is a real danger that farmers could become dependent on multinational seed companies for seed supply, with all the implications that this could have.

What are the implications for India of these curtailed farmers' rights? The short answer to this is its compromise with national security. Food security as we are all aware is a critically important part of national secure.

Today India plants over 60lakh tons of seeds every year into its fields. The National Seeds Corporation and the various State seed corporation together produce less than 15% of this requirement. Over 85% of the seeds amounting to roughly 52lakh tons that are planted in Indian fields every year are supplied by the farming community. In other words, India's largest seed producer is the Indian farmer.

This right and freedom to function as the biggest, most de-centralized supplier of locally well-adapted seeds has helped India to make the transition from a grain deficient to a grain surplus nation, even if it is a precarious surplus. Once the farmers' right to sell seed is taken away, the shortfall in the market of 50 to 52lakh tons of seed will be filled by MNCs. If that happens, India will lose control of its deed production, its agriculture and its food security.

Given that India's food security is monsoon dependent and uncertain and given that India has just about emerged from the humiliation of food imports, it is amazing that the Agriculture Ministry can have the nerve to put out a draft to this effect. The NFSO will deliver grain and other commodities through the PDS. While it is true that the PDS has been plagued by corruption some states have shown remarkable improvement – for example, in Chhattisgarh leakages are down to 10% (from 50%) and in Odisha 30% (from 75%) over the same period. Even in states with high overall leakages (for example, in Uttar Pradesh leakages were just under 60%), the Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY) households seem to get their share. In a survey of BPL and AAY households in 2011, respondents in Uttar Pradesh reported getting 77-88% of their entitlements.

It is the Above Poverty Line (APL) quota that is leaky. Let us understand why. Between 2000-2008, when APL prices of wheat and rice (Rs. 8-10 per kg or 0.13-0.16 USD approx. per kg) were close to the market price, neither APL card holders nor state governments were interested. Over time, the APL card became not a 'ration' card, but a kerosene card. In the year 2008-2009, market prices of grain nearly more than doubled, and even APL grain became subsidised. Increased off take under the APL and "special ad hoc" quota in the past four years reflects renewed state interest in this quota. Many states use it to expand coverage, but in others (like Uttar Pradesh and Madhya Pradesh), APL card holders are unaware of their entitlements are and many PDS dealers do not know that APL grain is being lifted. The lack of clarity and transparency has opened the door to corruption.

In such states, as the NFSO rolls out, many APL card holders will become 'entitled' households with clear entitlements (25kg per month at Rs. 1-2-3/kg). Grain flowing through the leaky APL "pipe" will be channelled through a transparent BPL-AAY 'pipe', with significantly lower cheating. The NFSO is an opportunity to end the large scale diversion of APL grain.

Finally, the Bill contains a provision for including millets and maize, so that there is scope for diversification of cropping patterns. That the agricultural sector needs urgent attention and reform is not in dispute, but the NFSO does not hinder that process.

Legislation is such a threatening component for food security. It is even more amazing that there are still those who are promoting the thesis that self reliance in agriculture is an outdated concept. The shocking theory is doing the rounds with renewed vigor that India should sell roses and orchids and buy wheat form countries like the US and Canada who produce it more cheaply than we do. To those embracing this theory it needs to be pointed out that the European Union, one of the most powerful economies in the world, is unshakably committed to self reliance in food, Its Bible like document called the common agricultural policy, places this unashamedly as the central dogma. Most countries have a similar policy. It is pathetic that a country as vulnerable as us to food is so ready to chant the globalization mantra, as to jeopardize the very basis of its security. First food and then the rest.

LIST OF ACRONYMS:

TRIPS	Trade-Related Aspects of Intellectual Property Rights.
FCI	Food Corporation of India.
MSP	Minimum Support Price.
FSB	Federation of Small Businesses.
PSP	Purposes sale price.
PDS	Public Distribution System.
LPG	Liquefied Petroleum Gas.
UPOV	Union for the protection of new plant varieties.
WTO	World Trade Organization.
ICDS	Integrated Child Development Services.
MDM	Mid-Day Meal.
NFSO	National Food Security Ordinance.
MNC	Multi National Companies.
BPL	Below Poverty Line.
APL	Above Poverty Line.
AAY	Antyodaya Anna Yojana.

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