

# Land acquisition Bill may not aid farmers much as agriculture loses sheen

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The first Lok Sabha had 87 members with agricultural backgrounds. The number rose to 261 in the 12th Lok Sabha. The current Lok Sabha lists 222 members as agriculturists.

However, careful scrutiny of data indicates most of these members of Parliament belong to more than one professional category. According to the Lok Sabha website, 75 members of the 15th Lok Sabha are from the legal profession, 88 are businessmen, 222 are agriculturists, 25 farmers, 103 political and social workers and 157 social workers. The data clearly suggests though many members of the current Lok Sabha have significant landholdings, the number of elected representatives whose primary source of income is farming is definitely declining.

Will the Land Acquisition, Rehabilitation and Resettlement Bill, soon to be passed by Parliament, give a fresh lease of life to farm politics? The Bill provides for higher compensation (four times the market value in rural areas and twice the value in urban areas) and mandates the consent of 80 per cent of the farmers before acquiring land. It also mentions relief and rehabilitation for families dependent on the land and states a social impact assessment is mandatory for acquisition of any size.

Of late, land acquisition has been the subject of many protest movements. A massive agitation at Singur in West Bengal, a site for Tata Motors' proposed Nano plant, is believed to be the reason behind the undoing of the Left Front rule in the state. In 2011, Bhatta Parsaul, a village in Uttar Pradesh's Greater Noida region,

was witness to a violent movement against the government's land acquisition policy. And, for a change, farmers in Gujarat's Mandal-Becharji belt forced the Narendra Modi government on the backfoot on its proposed special investment region.

Does this mean farmers are standing up to marginalisation? Experts say on the contrary, the events of Singur and Bhatta Parsaul are symptomatic of farmers' pauperisation, which started in the 90s, the decade that saw the lowest agricultural growth. The trend of a decline in the number of farmers started in the same decade. While average growth in the yield for rice and wheat was 3.1 per cent during the 70s and 80s, it stood at a mere 1.2 per cent for rice and 1.7 per cent for wheat in the 90s and the first decade of this century. Experts say following the passage of the land acquisition

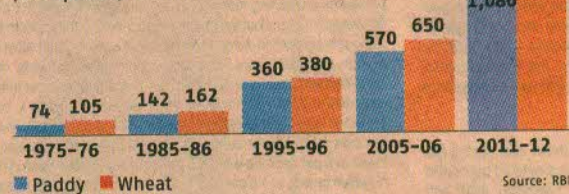
Bill, prospects of better compensation for land would further push the landowning class to shift, leading to a further drop in the number of cultivators.

Incidentally, farmer power in politics was at its peak in the 80s, the decade that recorded average annual agricultural growth rate of more than three per cent. The 80s also saw the highest addition (18 million) in the number of cultivators. Between 1997-98 and 2004-05, agricultural growth was only 1.6 per cent a year. But since then, it has seen a rise — the sector recorded a growth of 3.5 per cent a year between 2004-05 and 2010-11.

Farmer leaders say low growth in yields isn't the only reason for distress in the sector. A poster circulated by the Bharatiya Kisan Union (BKU) states prices of agri products have not kept pace with the rise in the prices of other items. It

## ON A PLATTER

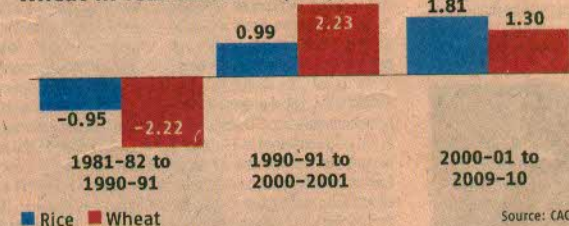
### Minimum support price (in ₹/quintal)



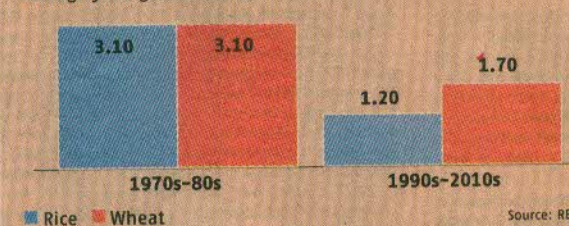
### MSP versus WPI (in %)



### Rates in MSPs for rice and wheat in real terms (in %)



### Falling productivity (Average yield growth (in %))



says while the prices of diesel have risen 122 times, labour wages 125 times, gold 200 times and teachers salaries 400 times since 1967, wheat prices have seen a modest increase of only 18 times. Says Rakesh Tikait, leader of BKU: "Pick up

anything in the market and see the growth in its price and compare it with any food item. You will realise why the condition of farmers is deteriorating every year."

Bharatiya Janata Party Kisan Morcha president

Omprakash Dhankar agrees. "The minimum support price (MSP) has become the maximum price, below which a farmer sells his produce. It is not adequate at all," he says.

The MSP of paddy was ₹74 a quintal in 1975-76, ₹142 in 1985-86, ₹360 in 1995-96, ₹570 in 2005-06 and ₹1,080 in 2011-12. The MSP of wheat saw a rise from ₹105 a quintal in 1975-76 to ₹1,285 a quintal in 2011-12.

Ramesh Chand, director of the National Centre for Agricultural Economics and Policy Research, however, says, "Income per hectare has been consistently rising. It is a different matter that because of the shrinking size of land holdings, only farm income isn't enough for a family, in most cases."

What has further diminished the clout of farmers is the fact that agriculture is no longer the mainstay of the rural economy. According to a 2008-09 National Council of Applied Economic Research study, since the late 90s, the combined share of industry and services to rural gross domestic product has risen to 58.4 per cent, a rise of about 10 percentage points.

If agriculture is losing sheen even in rural areas, can agriculturists maintain their relevance in the political arena? That, too, when their numbers are diminishing? Farmers have been driven out of the sector into many non-farm activities. A recent pick-up in the agricultural sector and social welfare schemes such as the Mahatma Gandhi National Rural Employment Guarantee Scheme have ensured a substantial rise in farm wages. So, while farmers have lost out as a single coherent entity, they have re-emerged as different blocs in society and politics, perhaps without the earlier clout.

This is the last of a two-part series on the agriculture sector