

# Letter to the PM by Farmers' Unions

November 30<sup>th</sup> 2015

To:

Shri Narendra Modi,  
Prime Minister,  
Government of India.

Dear Sir,

**Sub: Addressing the need for minimum dignified living incomes to be ensured in Indian agriculture – reg.**

Namaskaar! It is with a very high hope that we, representatives of many large farmer unions in the country, are penning this letter - that you will read it carefully and respond.

The 7<sup>th</sup> Pay Commission proposals are being picked up by the Government of India to benefit around one crore government employees and would also be pushing up the benchmark around salaries for many others in the private sector. In this context, it is important to note that the institutionalised disparities between agriculture and other sectors are only set to widen in an unbridgeable fashion, unless the government seeks to address this disparity.

The NSSO 70<sup>th</sup> Round data revealed that the average monthly income of an agricultural household is just Rs. 6426/- at the national level. This then means about Rs. 107/- daily earnings per adult, assuming two working adults per household. In many places, this is below minimum wages prescribed for unskilled workers, given that from July 1, 2015 the National Floor Level of Minimum Wage was raised to Rs 160 per day (which in itself is lower than many states' minimum wage rates).

Farmers' incomes continue to be abysmally low as well as unstable. NSSO's Situation Assessment on Agricultural Households in the 70<sup>th</sup> Round confirmed yet again that for a vast majority of Indian agriculturists, incomes are lower than expenditure, keeping them running on a desperate debt economy. For 70% of

agricultural households in India (estimated at 6.26 crore households), on an average, there is a deficit of Rs. 856/- per month per household in terms of their expenses exceeding receipts, for these households. This is more or less the same situation as reported in the NSSO 59<sup>th</sup> round from 2003, which means 12 years of high growth has not benefited them! On an average, the monthly income is only Rs. 4653/ for each of these households, lower than monthly expenses. On the other hand, the minimum pay as per the 7<sup>th</sup> Pay Commission recommendations has been increased to Rs. 18000/- per month, while the maximum pay has been hiked up to around Rs. 2.5 lakhs per month. The contrast between the highest paid government employees and this set of agriculturists is a whopping 54-times less for the agricultural households! The contrast between the lowest paid in the government sector and the lowest classes of agricultural households is worth noting too: a 4-fold difference.

Massive displacement from agriculture without equal opportunities in other sectors, and farmers' suicides continue unabated in spite of the loan waivers and a few other measures, since the problem of securing dignified incomes is not being addressed. This, despite the fact that the government has taken an unequivocal change in its agricultural policy directions through its National Policy For Farmers 2007, of emphasising on farmers' wellbeing and incomes and not just agricultural production and yield increases.

Any society systematically allowing such inter-sectoral disparities to build up is courting social unrest. This kind of disparity in incomes will also surely affect the demand and consumption ability of vast numbers of rural, agriculture-based citizens of the country, thereby affecting the growth plans of the government. Importantly, it is the nation's moral imperative to give dignified lives to our farmers and food producers, who keep the nation alive.

It is with a great sense of urgency that we write to you, asking you and your government to show your commitment to ensuring minimum living incomes to farm households by taking up a few measures:

- Announce the setting up of a Farm Income Commission which is mandated with ensuring minimum living incomes for all farm households in India;
- Such a Farm Income Commission should prescribe minimum living incomes that would provide dignified livelihoods to all farm households to not only meet their basic needs for bare subsistence, but address the matter of inter-sectoral parity and dignity in agriculture. Mandate should include as a first step (but not be limited to) ensuring that (a) there are no negative net returns to any farm household, (b) that no adult in a farming household is earning less than

minimum wages and (c) that the average incomes to farm households should be equal to at least the lowest level of government employees.

- The Commission should also be tasked to come up with a basket of measures at the production, risk reduction/disaster relief & compensation, and marketing ends of production that net incomes of farmers are guaranteed to improve, that too with specific focus on the most marginalised farmers.
- The same should be implemented by Ministry of Agriculture and Farmers' Welfare, along with various other concerned ministries, and accountability fixed in a Results Framework approach for the same.
- The Farm Income Commission should be tasked with examining and documenting income levels realised by different kinds of farmers all over the country so that interventions can be constantly sharpened and addressed in a focused manner.

These measures, we believe, are mainly to set up monitoring and accountability mechanisms that will actualise India's National Policy For Farmers' main thrust on farmer well-being, to make sure that all the interventions in the name of farmers are actually geared towards delivering minimum living incomes. Otherwise, lakhs of crores of rupees being spent in the name of farmers will be of no real use to farm households. At an appropriate time, the government might consider giving a statutory framework to this income-centred approach to agricultural development interventions, by enacting a law on Farmers' Income Guarantee.

We hope you will take up the matter with a strong sense of urgency that it deserves.

Yours sincerely,