

## Central team members call on Jayalalithaa



### The team inspected 10 districts in the last three days

The Central drought relief team, which inspected 10 districts in the State in the last three days, called on Chief Minister Jayalalithaa at the Secretariat here on Thursday. The team, led by Pravesh Sharma, Managing Director, Small Farmers' Agri-Business Consortium, informed the Chief Minister that there was no situation of people migrating to other places on the impact of drought as the State government had already initiated many precautionary steps and rescheduled loans taken from cooperative banks.

The Chief Minister, according to an official release, insisted that the Union government sanction Rs. 19,665 crore to the State for drought relief as sought in its memorandum submitted recently.

The team branched off into two and inspected five delta and five southern districts.

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## Trees of life



“Trees and bees are my passion, declares R.Kannan, who has been teaching villagers and farmers across Tamil Nadu how to “hold the forests”. “People need to understand that wealth of the hills is the health of the plains,” he says. “If you want to keep your forests and wildlife in the mountains intact, then you need to grow more trees in farmlands at the foothills,” he says.

The BITS Pilani graduate is a farmer at heart having grown up in his family-owned coffee estate at Pattiveeranpatti, a small village in the Lower Palani Hills range. “When the natural environment is protected, rural people earn a living. Crops and trees must co-exist.”

To diversify the rural economy has always been his goal and his programme developed over the years to protect, preserve and renew valuable forests and watersheds has effected a transition in the Western Ghats.

## Live and let live

The old-growth forests and watersheds in Tamil Nadu are in crisis. There is a sharp decline in the water table. Soil erosion, misuse of hazardous chemicals and growing of inappropriate crops are issues that constantly worry Kannan. “If we do not disturb our forests, people in plains will

have enough water to drink,” he says. It was his childhood interest in the natural environment that drove him to promote a green belt that would stop people from taking their agriculture and cattle deeper into the hills.

“The main threat to forests,” says Kannan, “is from the people at its base who go up to collect firewood.” To stymie this movement he encouraged villagers to cultivate drought-resistant crops, set up beehives and grow native flowering plants. “We had to re-forest cleared land and make it economically useful without creating any extra expense for the farmers,” says Kannan, who tells the farmers that by planting and protecting a native tree, they will be able to clear “debts and pay for their child’s education. Kannan’s work in the Western Ghats with the local tribal communities and upland farmers helped him tap into indigenous knowledge of plant species. The PHCC, established in 1984, is his vehicle. They collect native species of seeds from forests with permission.

### **Trees for a livelihood**

These grow into trees that can be logged for timber, firewood, and serve as food for animals and insects or used as shade for crops. Seeds are also processed, packed and marketed outside while the rest are grown in PHCC-run tree nurseries. Good quality saplings are then distributed among the farmers. What started with a single nursery has grown into 15 big independent nurseries (the largest is in Dindigul). In the last two decades, these have collectively distributed 15 million saplings from more than 150 species.

While farmers reap the benefits of trees after only one or two decades, Kannan designed the program to meet their short-term needs as well. “Farmers’ incomes must be sustained in the interim period for any tree-growing program to be successful,” he says. Kannan encourages and trains people to set up beehives. “With a thriving beehive, there is honey and pollination. The family stops using chemicals and grows more flowering plants that can generate income.”

Kannan owns a colony of 8,000 bees and successfully markets honey and wax products. He is now growing 40 fruit species to build a butterfly garden as well. “There are over 250 species in the Palani Hills and we have to train our future generations in conservation,” he says.

Students from schools in neighbouring regions come on field trips to the hills to learn about water quality, forests, insects, and animals. He provokes them into thinking about global warming and depletion of natural resources.

He concludes with an old saying, “If you plant a tree, you plant hope...”

### **The tree hugger**



The old-growth forests and watersheds in Tamil Nadu are in crisis. With the land getting denuded, there is a sharp decline in the water table. Soil erosion, misuse of hazardous chemicals and growing of inappropriate crops are issues that constantly worry R.Kannan.

“If we do not disturb our forests, people in plains will have enough water to drink,” he says.

It was his childhood interest in natural environment that drove him to promote a green belt that would stop people from taking their agriculture and cattle deeper into the hills.

“The main threat to forests,” says Kannan, “is from the people at its base who go up to collect firewood.” To stymie this movement he encouraged villagers to cultivate drought-resistant crops, set up beehives and grow native flowering plants. “This is the only way to keep the link between water, forests and wildlife intact,” he says.

The farmers fear the choice between crops and trees. Initially they stayed away from planting programs or changing to less water-intensive crops, sceptical of losing their already declining

incomes. "We had to re-forest cleared land and make it economically useful without causing any extra expense to the farmers," says Kannan.

"Everyday I tell them if they plant and protect a native tree it will help them to clear all debts and pay for their child's education too," he adds.

Kannan's work in the Western Ghats with the local tribal communities and upland farmers helped him to tap into indigenous knowledge of plant species. Through the Palani Hills Conservation Council (PHCC) -- of which he is a founder member -- Kannan has distributed more than two million trees of the species *Gmelina arborea* (kumul in Tamil) and *Grewia tilaei folia* (valakkai). "I grow my own timber and make all my furniture," he smiles.

The PHCC, established in 1984 with a dozen like-minded individuals, is his vehicle. The staff executes the tree-growing program by collecting native species of seeds from forests under permission. These grow into trees that can be logged for timber, used for firewood, serve as food for animals and insects or act as shade for crops. Some of the seeds are processed, packed and marketed outside while the rest are grown in PHCC-run tree nurseries. Good quality saplings are then distributed among the farmers. Earlier they were given away free but now a nominal fee is charged. "If the seeds and saplings are valued like sandalwood, then we can green more," says Kannan, who feels the tree nurseries are the main contact with the people today.

What started with a single nursery has grown into 15 big independent nurseries (the largest is in Dindigul) . In the last two decades, these have collectively distributed 15 million saplings from more than 150 species.

While farmers reap the benefits of trees after only one or two decades, Kannan designed the program to meet their short-term needs as well. "Farmers' incomes must be sustained in the interim period for any tree-growing program to be successful," he says. Keeping bees as a hobby since 1984, Kannan encourages and trains people to set up beehives. "Once a family starts a hive, it is willing to diversify crops. And with a thriving beehive, there is honey and pollination. The family stops using chemicals and grows more flowering plants that can generate income."

Kannan believes in leading by example to prove that his idea works. He owns a colony of 8,000 bees and successfully markets locally produced honey and wax products. He is now growing 40 fruit species to build a butterfly garden as well. “There are over 250 species in the Palani Hills and we have to train our future generations in nature conservation,” he says.

He has also identified schools as a useful instrument for expanding awareness of environmental issues. Students from schools in neighbouring regions come on field trips to the hills to learn about water quality, forests, insects, and animals. He provokes them into thinking on his nagging worries of global warming and depletion of natural resources.

As one leaves behind the canopy of trees in his farm, the sunlight glimmers through the vegetation. There is hope, he calls out. “If you plant a tree, you plant a hope...,” he quotes from an old saying.

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*Every day I tell them if they plant and protect a native tree it will help them to clear all debts and pay for their child's education too*

**Multi-cropping, the only way out for farmers: Minister**



SV Agricultural College students at the 'Rythu Sadassu' in Tirupati on Thursday.– PHOTO: K.V. POORNACHANDRA KUMAR

Minister for Mines and Geology Galla Aruna Kumari advised the farmers to go for multi-cropping to optimise their revenue and minimise the scope for distress sale.

Speaking after inaugurating the 'Rythu Sadassu' at SV Agricultural College grounds here on Thursday, she said the farmers were increasingly turning to horticultural crops, especially mangoes, which disturbed the equilibrium and finally made the prices plummet. She wanted the farmers to also diversify to ragi, jowar, maize, pulses and others so that the loss, if any, from one could be compensated by the rest. Indicating to the agricultural officials to create awareness among the farmers on multi-cropping, she advised the farmers not to adopt the 'copycat' principle of growing the crop grown by the neighbours.

"A perseverant farmer with a firm faith on land would never be let down by the nature," she said and asked the farmers not to lose hope due to temporary crises. The State government had allocated Rs. 25,692 crore to agriculture sector for the financial year 2013-14, besides providing free power, insurance cover to crops, loan waiver etc., she added.

Member of Parliament (Chittoor) N. Sivaprasad wanted governments, irrespective of the political party in power, to strive for the farming sector. Collector Solomon Arokiaraj, Additional Joint Collector P. Venkatasubba Reddy, Revenue Divisional Officer Y. Ramachandra Reddy, Joint Director of Agriculture Ravi Kumar, marketing committee chairman Damodar Reddy and others took part.

More than the farmers, agriculture students evinced keen interest in the proceedings and went around the various stalls put up by the farmers and departments.

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## Gushing water amid bone-dry lands



A Generous heart:V. Chandran, a farmer of Peruvembu in Palakkad, filling a temple pond with water from his borewell.

In the sweltering heat, it is a cool breeze. A farmer in Peruvembu has been sharing drinking water from perennial water sources on his land with others for the past five years.

A pond, a well and two borewells in the farm and compound of Nidhi V. Chandran do not dry up in the summer. He finds himself lucky to get water in plenty when all nearby water sources have gone dry.

Recently, a temple at Peruvembu fell short of water during the annual festival, and it was Mr. Chandran who came to its rescue. He used high-capacity pumps to fill a big tank on the temple premises in two days.

How his land is blessed with so much water? He has no answer to it. He says it is a big surprise for everyone, and feels that it is a gift of God and hence he shares it with others. He charges two paise a litre as the cost of power to pump the water.

So for those coming for water, whether schools, hostels, marriage parties or wedding halls, he pumps water from his borewell. The Kodumbu grama panchayat is distributing water from his wells in tanker lorries.

At times, even the Fire and Rescue Services take water from his wells, Mr. Chandran says. Many institutions in Palakkad town are taking water from his wells regularly. People from even faraway places such as Nemmara and Mannarkad source water from his wells for functions.



He has taken licence from food safety control authorities for distributing water from his wells for the next five years. He got the water tested by the Kerala Water Authority and obtained certificate for its quality as drinking water.

He says the areas surrounding his house are facing an acute drinking water shortage because of the destructive mining of sand and clay from streams and paddy fields.



### **Farmers block NH-14, state highways in Pali**

Hundreds of trucks remained stranded on [National Highway 14](#), Kandla state highway and Jalore state highway in [Pali](#) and Sirohi districts when farmers demanding water for a dam blocked the roads in Sanderao area in Pali district on Thursday.

The agitating farmers opened the roads after talks between the district administration officials and their representatives arrived at an "amicable" solution. The farmers were demanding a water project to recharge Jawai dam in Pali district.

"The government has planned schemes for supply of water from Jawai dam for drinking purpose in Pali district but they did not have plans to recharge it. We have no objection on supply of water for drinking purpose but there should be some scheme to recharge the dam," Kisaan Sangarsh Samiti (Sumerpur-Ahore Jawai area) treasurer Shyamsingh Deoda said.

The samiti members claimed that without proper schemes to recharge, the water level in the dam would reduce affecting hundreds of farmers in Pali and Jalore areas. At present, 33 villages in Sumerpur tehsil in Pali and 22 villages in Ahore tehsil in Jalore are getting water from Jawai dam for irrigation purposes, the protesting farmers said.

They also claimed that the economy of three districts - Jalore, Pali and Sirohi - depends on Jawai dam and justified their demands for schemes for the dam's recharge. During their protest, over 5,000 farmers blocked the highway causing inconvenience to hundreds of truckers and other vehicles.

A Pali district administration official said, "We have decided to open a survey office in Sumerpur to conduct a study on how to recharge the Jawai dam within one-and-half month. We will send the survey report to the state government for approval of the project to recharge the dam." The administration would also clean the canals and repair them too, the official added.

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### **Agricultural school to begin in June at Savoi Verem**

The Ramanata Crisna Pai Raikar education society has set up an agricultural school in [Savoi Verem](#), and classes will commence from June 11.

This school will conduct higher secondary school studies under vocational educational programme and will offer courses such as horticulture, floriculture and computer techniques.

This is a MHRD course and has been approved by the Goa board and directorate of education. The course will be for 2 years, i.e. 11th and 12th. The students will have to finish their 10th standard to be eligible for admission in the school. The admissions will start immediately after the SSC results are declared this year.

"This is a first of its kind school in the state," said Manguirish Pai Raikar, president of G([Goa chamber of commerce](#) and industry). The school will teach the new line of approach as well as give a commercial touch to the farming activities in the state.

Also, short term courses will be conducted which will be related to floriculture, fruit culture (pomology), horticulture (garden farming, spice cultivation, etc) along with maintenance of small orchards with financial gains. The school experts are helped by the senior people from ICAR and department of agriculture, Raikar said. Students can work as field assistants, florists, garden in-charge for companies, etc. The school offers placements too.

The students who wish to complete their graduation can study further in any other subject. For admission details, contact 307, Rayu Chambers, Dr A Borker road, [Panaji](#), Goa-403001 or call on 2226994, 2232160.

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### **Farmers to implead in case filed by GAIL in high court**

Farmers in western Tamil Nadu opposed to the [GAIL pipeline project](#) have sought to implead in the case filed by GAIL in the [Madras high court](#). The gas major recently filed a writ petition seeking to quash the order by the state government, which asked GAIL to lay pipelines along the national highways and not through agricultural lands.

General secretary of a farmers' association in Erode, P Kandasamy, said, the claims made by GAIL in the writ are objectionable and hence they have sought to implead in the case to challenge it. "The state government had ordered to stall the project in agricultural land because it does not have the support of farmers in all these seven districts," he said, adding this was evident in the public hearing meetings held between March 5 and 8 at Chennai.

However, the farmers' association clarified that they are not against the project but only against the laying of pipelines in agricultural lands. "Electricity produced using LNG is more expensive than using imported coal is another part", he said. Farmers are hopeful that the court will give a decision in their favour.

Radhakrishnan, a farmer from Pichanoor, said in the writ petition filed by GAIL, the farmers have been termed as 'instigators' and 'elements involved in unlawful and criminal activities', which is highly objectionable. "About 6500 farmers participated in the public hearing meetings held in Chennai and not a single farmer was in favour of laying pipelines in agricultural lands," he said. Farmers are hopeful that their petition will be admitted by the HC so that they can counter the claims by GAIL specified in the writ.

As per the writ petition, GAIL has claimed that the state government had initially supported the pipe laying project in agricultural lands but later changed the stand. It also added that the district

collectors are directing them to remove the pipes that were laid already and to close the trenches.

R Ganesan, another farmer from Chettipalayam, said GAIL should obey the government order and not insist that pipelines could be laid only through agricultural lands. "Government has also asked (GAIL) to compensate the farmers who have lost their produce," he said.

According to Kandasamy, [GAIL's writ petition](#) has said as if the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act or PMP Act is above the state government's policy decision. "GAIL has even said it is unlawful for anybody to object to laying pipelines in agricultural lands, which is absurd," he claimed, saying they will strongly counter the claims by GAIL in the court.

About 310 kms of the pipeline is set to pass through Coimbatore, Tirupur, Salem, Erode, Namakkal, Dharmapuri and Krishnagiri districts in Tamil Nadu, which is part of the Kochi-Koottanad-Mangalore-Bangalore Pipeline Project for transmission and distribution of re-gasified liquefied natural gas stocked at the Kochi LNG terminal

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### **Small tea growers, forest department lock horns over land**

Small tea garden owners and forest officials are at loggerheads over a plot of land at Bedlangmari in Kokrajhar district. Their differences peaked when forest officials intensified reforestation efforts on Monday.

The president of [Kokrajhar District Committee](#) of All Assam Small Tea Growers' Association (AASTGA), Prabin Goyary said, forest officials along with the Forest Protection Force and other security forces suddenly went to Alayaron Tea Farm, located at Bedlangmari, on Monday and started planting saplings in the middle of the tea garden.

He said the department also erected barbed fencing around the garden even though the garden owner, Late Rabiram Basumatary, was issued land possession certificate by Chapar circle

officer for tea plantation in June 2007. Despite this, the department of forest has prohibited the entry of Swapan Basumatary, son of garden owner Late Rabiram Basumatary, said Goyary. The president of Kokrajhar district AASTGA said the leaf plucking season has already begun and if the garden owner and labourers were not allowed to enter the garden, the leaves would soon become useless incurring huge losses to the owner and would leave labourers jobless. Goyary said many new villages have been set up by various communities, including illegal encroachers suspected to be Bangladeshis, in forest land but these people have not been evicted.

The forest department was targeting only the small tea growers, who, otherwise, plant valuable and non valuable trees in and around the tea garden, he added. The AASTGA urged the forest department not to interfere with the [small tea growers](#) who are willing to co-operate with the concerned department in conservation of forest.

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# HindustanTimes

Chennai - INDIA

## Today's Weather



Sunny

**Friday, May 10**

Max Min  
35° | 29°

Rain: 0

Sunrise: 05:44

Humidity: 67

Sunset: 06:25

Wind: normal

Barometer: 1006

## Tomorrow's Forecast



Partly Cloudy

**Saturday, May 11**

Max Min  
37° | 28°

## Extended Forecast for a week

Sunday May 12	Monday May 13	Tuesday May 14	Wednesday May 15	Thursday May 16
36°   28°	38°   29°	35°   29°	37°   28°	40°   29°
Partly Cloudy	Overcast	Overcast	Overcast	Overcast

## Airport Weather

Chennai

Rain: 0 Sunrise: 05:44

Humidity: 67 Sunset: 06:25

Wind: normal Barometer: 1006



## **Balancing soil nutrients**

Mother Nature possesses bountiful natural resources. After all, it is not for nothing that our planet is today supporting a seven billion human population, besides a large number of other living beings with varying survival requirements.

Till around the end of the 19th century, agriculture, in the form it was practised, provided more or less enough food to sustain the human population of that time. This is even after factoring in mal-distribution of what was being produced and large sections of the population being deprived of food necessary for a healthy body and mind.

By early 20th century, it became evident that it would not be possible to produce enough food for a growing population by following traditional agriculture practices.

Our soils, no doubt, contain sufficient organic matter and a variety of nutrients, including bacteria, that enable the growth of plants and, in turn, yielding a particular quantum of grains and other food products.

But these natural plant nutrients and organic matter were being constantly depleted, with repeated cultivation tending to remove more of these than what was getting replenished.

That, then, imposed natural limits on increasing foodgrain yields to support a growing population. This is consistent with the simple law of conservation, which is that you cannot produce or generate something out of nothing.

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## **Nutrients from outside**

It was around this time that the idea of application of nutrients 'from outside' was thought of. Such 'nutrients' were also present in the earth's crust, but unlike the more ubiquitous soil, not distributed evenly across the globe. These nutrients happened to be minerals that needed to be mined and further processed — and only then applied to the soil, yielding more crop quantities per acre of cultivated land. Simultaneously, crop scientists developed new seed varieties that could give much higher yield than the traditional indigenous cultivars. But that again, following the old law of conservation, required higher nutrient input application in the soil. The new dwarf crop varieties were, in fact, amenable to such higher nutrient application.

Therefore, use of 'outside' mineral fertilisers became part of modern agriculture capable of feeding a larger, growing human population.

In 1950-51, India produced around 50 million tonnes (mt) of foodgrains, with almost negligible application of mineral-based fertilisers, barring small amounts of phosphatic fertilisers in form of single super phosphate. But this changed with the Green Revolution and the advent of high yielding seed varieties from the mid-sixties. It led to an increase in the country's average wheat productivity from 851 kg/hectare in 1960-61 to 1307 kg/hectare in 1970-71. More than half of this came from the simultaneous application of fertilisers.

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## **Mother Nitrogen**

Initially, it was only nitrogen (N) that was applied in large quantities because our soils were most deficient in this nutrient. But gradually, it was realised that the soil was also not getting enough of other nutrients, including phosphorous (P) and potash (K). These, too, were produced from mining and processing of naturally-occurring minerals below the earth.

But mineral-based fertilisers turned expensive after the oil crisis of 1973. The resulting adverse economics of growing foodgrains, then, forced the Government to devise policies to encourage

farmers to continue — rather increase — the application of such fertilisers. It resorted to regulating the retail prices of various fertiliser products. Simultaneously, it reimbursed companies for their higher cost of production or imports, in return for selling at the prescribed retail prices to farmers.

As a result, fertiliser consumption increased from 2.57 mt of NPK nutrients in 1974-75 to 12.73 mt by 1991-92. Alongside, balanced use of these nutrients was promoted through extensive extension work. In 1991-92, the ratio of NPK application, at 5.9:2.4:1, was very close to the desired 4:2:1 level recommended by experts.

The above twins efforts, aimed both at encouraging fertiliser consumption and balanced nutrient application, bore fruit in terms of foodgrain production, which rose from 105.2 mt in 1971-72 to 168.4 mt in 1991-92.

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### **The subsidy problem**

But by this time, the subsidy involved in making available fertilisers at below cost to farmers had mounted.

The Government, in its anxiety to reduce the subsidy bill, decontrolled the prices of fertilisers containing P and K nutrients alone in 1992. It led to a sudden doubling of prices of the decontrolled fertilisers and a nose-diving of their consumption. The NPK use ratio got distorted to 9.5:3.2:1 in 1992-93.

Realising the folly of selective decontrol, the Government restored the subsidy in the form of an ad hoc concession on P&K fertilisers. But streamlining the administration of the new concession scheme took many years and it was not before 2009-10 that the NPK ratio was restored again to a more balanced 4.3:2.0:1.

With effect from April 2010, the Government introduced a nutrient-based subsidy or NBS regime, with the primary objective of balanced fertilisation, including application of

micronutrients, and also unshackling the industry from stifling controls rendering investments in sector unattractive.

The new scheme provides for the announcement of a fixed subsidy for every kg of primary nutrients (N, P, K, sulphur) and micronutrients present in any fertiliser product for the whole year, while giving the industry the freedom to fix retail prices.

However, as before, the Government has implemented the scheme selectively only on non-urea fertilisers. Urea, accounting for almost 50 per cent of fertiliser application, has been left out of NBS. The above selective implementation has brought back the earlier distortions. On the one hand, production costs for P&K fertilisers have soared in the last three years due to high global prices of inputs alongside depreciation of the rupee.

Simultaneously, the reduction in the fixed subsidy on their nutrients has resulted in higher retail prices of these fertilisers, even while the government has refrained from increasing the same on urea.

The cumulative effect of this has been a deterioration of the NPK use ratio, from 4.3:2:1 in 2009-10 to 6.7:3.1:1 in 2011-12. If this state of affairs continues, there will also be deterioration of soil health, lower yields and poor economic return to farmers. The present policy of keeping urea prices artificially low, apart from harming soil health and agriculture productivity, is also causing other collateral damage.

For one, highly subsidised urea is getting diverted for non-agricultural use. Secondly, since retail price of urea in India, now at \$98 per tonne, is way below the \$348 in China, \$344 in Pakistan and \$250 in Bangladesh, is probably leading to cross-border illegal trade in urea. Such diversions are inevitable when prices of any controlled commodity are kept at same level or changed little for long periods.

To restore balanced application of nutrients, there is a need for correction in the retail prices of various fertiliser products.

Pricing policy can stimulate such correction, by fixing appropriate subsidies on the three primary nutrients — N, P and K.

It is obvious that there has to be higher subsidy support for P&K fertilisers and lower support for urea to bring about the desired corrections in retail prices and consumption of fertiliser products. Also, subsidy on a particular nutrient needs to be same across all products.

Within the suggested policy framework, the Government can keep its subsidy bill of fertilisers at manageable levels and farmers continue receiving the benefit of subsidy on this vital agricultural input. It will ultimately encourage balanced fertilisation in the interests of soil health, agricultural productivity, farmer welfare, and food security of the country.

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## Business Standard

### **Govt moves to examine agri price panel's mandate**

With some major states slated to go to the Assembly polls this year, the government has initiated a move to examine the mandate of the Commission for Agricultural Costs and Prices (CACP), for the first time since 2005, and revisit its methodology to calculate the minimum support price (MSP). The move follows complaints that MSPs of farm produce, especially foodgrain, are inadequate to cover production costs.

Delhi, Madhya Pradesh, Chhattisgarh and Rajasthan are slated to hold Assembly polls towards the year-end.

Officials said the government had formed a committee under the chairmanship of Ramesh Chand, director of the National Centre for Agricultural Economics and Policy Research, to study the cost concepts for fixing MSP. Its first meeting was held on Thursday. ([POLLS AND PRICES](#))

The committee has been asked to suggest whether there is a need to reposition CACP, owing to the liberalisation of Indian agriculture.

In 2005-06, the government had appointed a committee under economist Y K Alagh to examine

CACP's terms of reference. The committee had said price recommendations should be integrated with the tariff policy. While accepting the other suggestions of the committee in 2009, the government had left out this crucial aspect, owing to opposition from the Department of Commerce.

Officials said the new committee would consider whether the methods to determine the value of family labour, the rental value of land, the interest on capital, the depreciation of fixed assets, etc — factors vital to calculating MSP — were appropriate. The committee would have representatives from the state governments of Andhra Pradesh, Uttar Pradesh, farmers' organisations and the Department of Economic Affairs,

In the last few years, CACP has drawn criticism because of its suggestions to increase the MSP of wheat and rice by only nominal amounts. Between 2003-04 and 2012-13, the MSP of common-grade paddy, as recommended, rose 127 per cent; for wheat, it rose 107 per cent. However, since then, the commission suggested recent marginal increases in the MSP of both wheat and rice, as their output and stocks exceeded the demand.

"If we continue to follow the price policy to incentivise farmers, it would lead to major imbalances in the demand and supply of farm commodities, primarily wheat and rice, and mess up the market," said CACP Chairman Ashok Gulati. He said CACP's current mandate was adequate to take care of the concerns of farmers, adding there was no need to change that. "Our terms of reference clearly say the demand and supply of a particular commodity, as well as the impact of a decision on the rational use of land, water and consumers, should be kept in mind before recommending the MSP," he said.

CACP determines the MSPs of 25 agricultural commodities, including rice, wheat, pulses and oilseeds. The greatest impact of the entity's decision is seen in the case of wheat and rice, as their MSPs are also the de-facto procurement prices. "The current MSP does not even cover all input costs. If that is the case, what is the need of an MSP?" asked Yudveer Singh, a representative of the Indian Coordination Committee of Farmers' Movements and a member of the committee set up to examine CACP's mandate.

Experts such as former CACP Chairman T Haque said there was a need to examine CACP's

mandate because the government faced excessive fiscal strain, owing to high support prices. Also, farmers weren't pleased with the recommendations, he said.

Adding, "It could also be a ploy to weaken the commission."