



## The roots of the agricultural crisis run deep

### Many protests

1. Current Farmers agitation against 3 farm bills
2. Maharashtra witnessed the 'Kisan Long March'
3. Similar protests have erupted in Rajasthan, Uttar Pradesh, Haryana, Gujarat, Karnataka and Chhattisgarh.

**The common thread:** declining agricultural incomes, stagnant wages and withdrawal of state support to agriculture.

### The changing condition of agriculture

1. **The Price Issue:** The real issue is the lack of remunerative prices for a majority of agricultural commodities, a sharp increase in price variability in recent years.
2. **Government paralysis:** an unpredictable and arbitrary government policy regime, limited intervention by the government in protecting farmers' income and stabilising prices through MSP-led procurement operations
3. **Markets, mechanization and monetization:** Part of the problem is the changing nature of agriculture which has seen increased dependence on markets, increasing mechanisation along with increasing monetisation of the agrarian economy. The increased dependence on markets has contributed to increasing variability in output prices.
4. **The economy in recession:** However, even these procurement operations are unable to stabilise prices with falling demand and a slowing economy. There is negative inflation for cereals in the last 5 years. In most parts of the country wheat, rice, maize and pulses are sold way below MSP.
5. **Increasing input cost:** While output prices continue to show high variation with frequent spells of low prices, increasing mechanisation and monetisation have led to an increase in cash requirement. Gradual withdrawal of fertilizer, diesel and electricity subsidy agriculture is becoming unviable.
6. **Informal and exploitative cash networks:** Most of these cash requirements are met by non-institutional sources including middlemen which have contributed to the rising cost of cultivation and an increase in loan defaults. The demand for loan waivers is unlikely to subside with the rising cost of inputs.



7. **Declining agricultural investment:** With agricultural investment declining in the first four years of this government, the result was rising input costs and falling output prices.
8. **The frequent supply and demand shocks:** Shocks such as demonetisation and the lockdown imposed after the pandemic broke out which only increased the uncertainty and vulnerability in the agricultural sector both on input and output prices.
9. **The preference to urban consumer and Fiscal deficit:** The existing policy framework with an excessive focus on inflation management and obsession with the fiscal deficit will likely lead to lower support from the government either in price stabilisation or reduction in the cost of cultivation through fiscal spending.

### Policy overhaul needed

1. Resolve the structural factors which have contributed to the farmers' unrest
2. The agricultural sector needs a comprehensive policy overhaul to recognise the new challenges of agriculture which is diversifying and getting integrated with the non-agricultural sector.
3. This not only entails a better understanding of the structural issues but also innovative thinking to protect farmers' livelihood from the uncertainty of these changes.
4. Above all, it requires fiscal support and institutional structures to support the agricultural sector and protect it. In the absence of these, any rhetoric of doubling farmers' income is only wishful thinking.

### Hazardous ideas for the Himalayas

**Crux:** Over the past 20 years, both China and India have been competing with each other to build hydroelectric dams in this ecologically fragile and seismically vulnerable area. By planning hydropower projects, India and China are placing the region at great risk.

### Misadventures

1. Both countries ignore how unviable such 'super' dams projects are, given that they are being planned in an area that is geologically unstable.



2. The ongoing low-level military confrontations between these two countries have led to demands for further infrastructural development on both sides, including all-weather roads, much to the peril of regional biodiversity and the livelihoods of the indigenous population.
3. High seismic zones coincide with areas of high population concentration in the Himalayan region where landslides and glacial lake outburst floods are common.
4. The 2015 Gorkha earthquake of magnitude 7.8 in central Nepal resulted in huge losses in the hydropower sector. Nepal lost about 20% of its hydropower capacity consequent to the earthquake.
5. Heavy silting and landslides anyways Dams unviable in the Himalayan ecosystem.
6. In a recent article in Nature, a Himalayan ecologist says in recent years, the Himalayas have seen the highest rate of deforestation and land-use changes.

### **Water Tower of Asia**

The Himalayan range is a transnational mountain chain and is the chief driver of the Asian climate. It is a source for numerous Asian river systems and glaciers which are now under the threat of degradation and retreat due to global warming; these river systems provide water for billions of people.

### **Way Forward:**

1. The upper Himalayas should be converted into a nature reserve by an international agreement.
2. He also says the possibility of a Himalayan River Commission involving all the headwater and downstream countries needs to be explored.

### **Conclusion:**

Rather than engaging in unsustainable dam-building activities, India and China, the major players in the region would be well advised to disengage from military adventurism and seek ways of transforming this 'roof of the world' into a natural reserve for the sake of humanity. Carbon neutrality should not be at the expense of the environment.