



Reforms with the future and farming needs in mind

Lingering Fears

The major objections and fears relating to the new Farm laws are that the Agricultural Produce Market Committees (APMC) will be eventually closed, the Minimum Support Prices (MSP) will be stopped, corporates will take over agriculture trade, and farmers' land will be taken over by powerful corporates.

Need for reforms

1. There are quite a few major reasons for undertaking the reforms in agriculture. The gap between the agri-income of a farmer and that of a non-agriculture worker increased from ₹25,398 in 1993-94 to ₹1.42 lakh in 2011-12. There is a widespread feeling of agrarian distress.
2. Aggregate food demand has fallen short of domestic production necessitating the export of a large quantity to prevent domestic prices from falling very low. We are already sitting on an excess stock of 60 lakh tons of sugar and nearly 72 million tons of extra buffer stock of wheat and rice which is causing a huge drain on fiscal resources.
3. India's agri-exports are getting difficult to push, imports are turning attractive as domestic prices are turning much higher than international prices.
4. Rural youth including farmers' children are looking for jobs outside agriculture and there is a serious problem of unemployment in the countryside.
5. There are numerous instances of market failure to the detriment of producers and consumers. This is turning farmers to look at the government for remunerative prices through MSP for most agricultural products.
6. Indian agriculture production and the market are not moving to the next stage of development. The growth rate in agriculture is driven by heavy support through various kinds of subsidies and output price support.
7. If farmers are to be ensured remunerative prices for their produce through procurement at MSP, as per the demand put up by the protesting farmers, these costs and losses and subsidies will take away most of the tax revenue of the central government. Such facts need to be shared with the farmers' leaders. I do not think they will ask for something which will lead to a collapse of the fiscal system of the government.
8. The way forward then for ensuring remunerative prices to farmers is through increased competition for the sale of their produce, development of modern



value chains, value addition, export, and processing as a part of rural economic revitalisation.

Difference between MSP based procurement and APMC

1. There is also a need to understand that the APMC has nothing to do with the payment of the MSP. Crops other than paddy, wheat and cotton are selling at prices below the MSP in the APMC mandis of Punjab on an almost regular basis. The necessary and sufficient conditions for the MSP are procurement by the government, with or without the APMC.
2. The threat to the APMC comes from the action of States to use these mandis for extra revenue generation. The protesting farmer leaders have raised a genuine concern to keep the level-playing field for the APMC and private players, and the Agriculture Minister has shown agreement to address this fully.

Promotion of Agri-Business for rural youths

1. Another provision of the New Trading Act under attack is the simple requirement of a PAN card for a trader. Protesting farmers favour stringent criteria and registration for traders in a trade area.
2. As in the existing provisions, after having a PAN card, even a farmer can go for trading, his son can do agri-business and other rural youth can undertake purchases of farm commodities for direct sale to a consumer or other agribusiness firms.
3. If stringent criteria such as bank guarantee, etc. are included in the registration of traders then agriculture trade will remain in the hands of the trading class and the spirit of the new law to facilitate farmers and rural youth to become agribusiness entrepreneurs will be lost.

On contract farming

1. The experiences of contract farming which is already going on in various pockets in India show the critics and protesting farmers are mixing contract farming with corporate farming.
2. The new Act intends to insulate interested farmers (especially small farmers), against market and price risks so they can go in for the cultivation of high-value crops without worrying about the market and low prices in the harvest season.
3. The Act is voluntary and either party is free to leave it after the expiry of agreement. It prohibits the farming agreement to include the transfer, sale, lease, mortgage of the land or premises of the farmer.



4. The Act will promote diversification, quality production for a premium price, export and direct sale of produce, with desired attributes to interested consumers. It will also bring new capital and knowledge into agriculture and pave the way for farmers' participation in the value chain.

Conclusion:

The policy reforms undertaken by the central government through these Acts are in keeping with the changing times and requirements of farmers and farming. If they are implemented in the right spirit, they will take Indian agriculture to new heights and usher in the transformation of the rural economy.

Dealing with India's two-front challenge

Two viewpoints on Two front Wars: Military and Political

Till recently, any mention of a two-front war evoked two contrasting opinions. India's military was firm of the view that a collusive China-Pakistan military threat was a real possibility, and we must develop capabilities to counter this challenge.

On the other hand, the political class in general and the mainstay of the country's strategic community felt that a two-front threat was being over-hyped by the military to press for additional resources and funds. They argued that historically, China has never intervened militarily in any India-Pakistan conflict and that the economic, diplomatic, and political ties between India and China rule out any armed conflict between the two countries. As a result, Indian strategic thinking was overwhelmingly focused on Pakistan and the security considerations emanating from there.

Changes in recent years

1. In the Indian military's thinking, while China was the more powerful — and therefore strategic — foe, the chance of a conventional conflict breaking out was low.
2. The reverse was true of Pakistan, with a greater likelihood of conflict along the western border possibly triggered by a major terror attack emanating from Pakistan.
3. The Chinese intrusions in Ladakh in May this year, the violence that resulted from clashes between the Indian Army and the People's Liberation Army,



and the deadlock in negotiations have now made the Chinese military threat more apparent and real. The direct result of this, then, is the arrival of a worrisome two-front situation for New Delhi.

4. Even if the current India-China crisis on the border is resolved peacefully, China's military challenge will occupy greater attention of Indian military planners in the months and years to come.
5. This comes at a time when the situation along the Line of Control (LoC) with Pakistan has been steadily deteriorating. Between 2017 and 2019, there has been a four-fold increase in ceasefire violations.
6. Some media reports had indicated that Pakistan had moved 20,000 troops into Gilgit-Baltistan, matching the Chinese deployments in Eastern Ladakh.
7. In a two-front scenario, the larger challenge for India's military would come if the hostilities break out along the northern border with China. In such a contingency, there is a likelihood that Pakistan would attempt to take advantage of India's military preoccupation by limited military actions in Jammu and Kashmir (J&K), and attempt to raise the level of militancy in Kashmir.

China-Pakistan military links

1. For sure, the Sino-Pakistan relationship is nothing new, but it has far serious implications today than perhaps ever before. China has always looked at Pakistan as a counter to India's influence in South Asia.
2. Over the years, the ties between the two countries have strengthened and there is a great deal of alignment in their strategic thinking. Military cooperation is growing, with China accounting for 73% of the total arms imports of Pakistan between 2015-2019.

Dilemmas for India

1. A two-front conflict presents the Indian military with two dilemmas — of resources and strategy. Obviously, it is neither practical nor feasible to build a level of capability that enables independent warfighting on both fronts.
2. A major decision will be the quantum of resources to be allocated for the primary front. If a majority of the assets of the Indian Army and the Indian Air Force are sent towards the northern border, it will require the military to rethink its strategy for the western border. This is the second dilemma.
3. Even though Pakistan may only be pursuing a hybrid war, should the Indian military remain entirely defensive? If it does so, it may encourage Pakistan



to continue with its actions in J&K with a level of impunity and even raise the level of its involvement on the western front. Adopting a more offensive strategy against Pakistan could draw limited resources into a wider conflict.

Diplomacy is crucial

1. Diplomacy has a crucial role to play in meeting the two-front challenge. To begin with, New Delhi would do well to improve relations with its neighbours so as not to be caught in an unfriendly neighbourhood given how Beijing and Islamabad will attempt to contain and constrain India in the region.
2. The government's current engagement of the key powers in West Asia, including Iran, should be further strengthened in order to ensure energy security, increase maritime cooperation and enhance goodwill in the extended neighbourhood.
3. New Delhi must also ensure that its relationship with Moscow is not sacrificed in favour of India-United States relations given that Russia could play a key role in defusing the severity of a regional gang up against India.
4. Even as the Quad, or the quadrilateral security dialogue (India, Australia, Japan and the U.S) and the Indo-Pacific seem to form the mainstay of India's new grand strategy, there is only so much that a maritime strategy can help ease the Sino-Pakistan pressure in the continental sphere.

Outreach to Kashmir

1. Politically, the stark military reality of a two-front challenge, one that is likely to grow stronger over the years, must serve as a wake-up call for the political leadership in New Delhi, and encourage it to look for ways to ease the pressure from either front.
2. Easing pressure on the western front requires political will more than anything else. From a long-view perspective, therefore, a well-choreographed political outreach to Kashmir aimed at pacifying the aggrieved citizens there would go a long way towards that end.
3. This could also lead to a potential rapprochement with Pakistan provided, of course, Rawalpindi can be persuaded to put an end to terrorist infiltration into Kashmir.



4. It is important to remember that China, a rising and aggressive, superpower next door, is the bigger strategic threat for India, with Pakistan being a second-order accessory to Beijing's 'contain India strategy'.
5. New Delhi would, therefore, do well to do what it can politically to reduce the effect of a collusive Sino-Pakistan containment strategy aimed at India.

Way Forward:

1. It is impossible to define with any certainty the contours of a two-front conflict and how it would actually play out. However, what is certain is that the threat cannot be ignored and therefore we need to develop both the doctrine and the capability to deal with this contingency.
2. Developing a doctrine will require close interaction with the political leadership. Any doctrine that is prepared without a political aim and guidance will not stand the test when it is actually to be executed.
3. Capability building also requires a serious debate, particularly in view of the fact that the country's economic situation will not permit any significant increase in the Defence Budget for the foreseeable future.
4. There is too much focus on major platforms such as aircraft, ships, and tanks, and not enough on future technologies such as robotics, artificial intelligence, cyber, electronic warfare, etc.
5. The right balance will have to be struck based on a detailed assessment of China and Pakistan's war-fighting strategies.
6. It would, therefore, be prudent for India to be ready for a two-front threat. In preparing for this, the Indian military needs to realistically analyse how this threat could manifest itself and the type of capabilities that should be built up to counter it.

War and words

Afghan Peace Process

1. With the Afghan government and the Taliban preparing to resume talks in Doha next week, one of the pressing problems Afghanistan is facing remains unaddressed — the surging violence.
2. The year 2020 was one of the bloodiest in Afghanistan's 19-year-long conflict. In September, the Afghan government and the Taliban began peace talks for the first time in Doha. But despite these diplomatic openings, both sides have continued their attacks.



3. Afghanistan also saw increased targeted killings, especially of media professionals. The Taliban have denied any role, but government officials say the insurgents, who banned TV and turned print and radio into propaganda platforms when in power in the late 1990s, were behind the attacks as they seek to silence critical voices.
4. The government had demanded a ceasefire, but the Taliban resisted such demands and emphasized other talking points such as prisoner swaps and the future governance system. As a result, violence continued even as both sides negotiated ways to end the war.