

COMMENT

PL 480 RETURNS?

THE GROWTH RATE OF AGRI-culture was 3.0 percent and that of manufacturing was 4.5 percent during the first three decades after Independence. The growth rate for agriculture has slipped to 2.8 percent while that for manufacturing has increased to 6.4 percent during the last 15 years. Farmers continue to commit suicides across the country. Groundwater level is declining. The country has to import wheat, edible oils and pulses year after year.

That said one must not ignore some achievements of Indian agriculture during the last sixty years. Nevertheless, sharecroppers have mostly got control of land across the country. The energy of small farmers has come into play. They are managing land in a sustainable way since they have become owners.

Also, there is a fourfold increased production of food grains from 51 million tons in 1950 to 195 million tons in 2005. But India's position was desperate in the sixties. At that time India was dependent upon food aid from the United States under PL480 to feed her people. Paul Ehrlich had written a book titled "The Population Bomb" at that time. He argued that the US should abandon countries like India that were beyond redemption. India's population was rising so fast that there was no possibility of India feeding herself. The US should redirect its resources towards those countries which had some chance of survival, he had argued. But India has managed to feed herself despite such predictions. Not only have Indian farmers been able to feed their increasing numbers of people, they have also increased the per capita availability of food grains from 437 grams per day in 1960 to 480 grams in 2005.

Question arises why the rate of growth in agriculture is declining when there has been an increase in per capita availability. The secret lies in the fact that rate of growth is measured in money value while food grain availability is measured in physical terms.

Indian agriculture has become more diversified. Previously main crops were wheat, rice, ragi, bajra and sugar cane. Now India is producing soya bean, peanuts, sunflower, mustard, moong, fruits, flowers and vegetables in large quantities. Yet, farmers continue to undertake suicides and India's precarious dependence on imports of edible oils and pulses is deepening. The main reason for these problems is decline in prices. In short agriculture policy is based on free trade. Decline in prices is considered to be good because that makes Indian goods more competitive in the global markets.

The solution will not come by encouraging farmers to make more increase in their production so their profits increase despite declining prices. The success of this approach rests on decline in prices being less than the increase in production.

The farmers' efforts to increase production may soon be made naught by the government's efforts to secure lower prices. The second problem is that the government is sacrificing the long term nation's food security for short term gains in trade. The rich countries are providing huge subsidies to their farmers to maintain production because they do not want to become dependent on imports for their basic requirements.

If India is dependent on the western countries for food and they are dependent on India for music and movies then Indian people will be in trouble, they will not be able to escape their pincer in case crops fail. They are pushing India to meet her food requirement from imports. In result, India will become dependent on them while they maintain their independence.

In the seventeenth century India had thriving foreign trade under the Mughal emperors. The British were not able to make inroads in Indian markets. At that time the Mughal rulers ceded trading rights to the British in return for them providing maritime security to Indian ships. This surrendering of naval responsibility was the beginning of British intrusion into India. India is again making the same mistake again by surrendering its food security to the western countries. □□□

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