Alternative to MSP Crops

This article is based on "Punjab, Haryana need to look beyond MSP crops" which was published in The Hindu on 16/12/2020. It talks about the issues related to the proliferation of wheat and rice farming in the green revolution belt states.

Green Revolution in India, provides the package of technology and policies that produced quick results in increasing food grain production (mainly Wheat & Rice). This enabled India to move from a country facing a severe shortage of staple food to becoming self-sufficient.

The region comprising Punjab, Haryana and western Uttar Pradesh, was an early adopter of Green Revolution technology. It was also a major beneficiary of various policies adopted to spread modern agriculture technology in the country.

The progress and specialisation towards these two crops served the great national goal of securing the food security of the country.

However, during the mid-1980s, some inimical trends related to the rice-wheat crop system in general and paddy cultivation surfaced followed by serious second-generation problems of the Green Revolution.

Therefore, in tackling agri-crises, these core Green Revolution States must shift to high-value crops and promote non-farm activities.

Factors for Promotion of Wheat & Rice Production

- **State Guarantee For Production:** Procurement of marketed surplus of paddy (rice) and wheat at Minimum Support Price (MSP) completely insulated farmers against any price or market risks.
    At the same time, it ensured a reasonably stable flow of income from these two crops.

- **Technological Advancement:** Over time, the technological advantage of rice and wheat over other competing crops further increased as public sector agriculture research and development allocated their best resources and scientific manpower to these two crops.
- **Role of Input Subsidies:** Public and private investments in water and land and input subsidies were the other favourable factors.

Thus, wheat in rabi and paddy in Kharif turned out to be the best in terms of productivity, income, price and yield risk and ease of cultivation among all the field crops (cereals, pulses, oilseeds).

Issues Related to the First Green Revolution

A large number of reports and policy documents highlighted the adverse effect of green revolution crops (especially paddy cultivation) on natural resources, the ecology, the environment, and fiscal resources.

- **Environmental Effects:** The biggest casualty of paddy cultivation and the policy of free power for pumping out groundwater for irrigation is the depletion of groundwater resources.
    - In the last decade, the water table has shown a decline in 84% observation wells in Punjab and 75% in Haryana.
    - It is feared that Punjab and Haryana will run out of groundwater after some years if the current rate of overexploitation of water is not reversed.
    - Further, in the last couple of years, the burning of paddy stubble and straw has become another serious environmental and health hazard in the whole region.
- **Plateauing of Income & Productivity:** There are serious concerns about plateauing productivity and stagnant income from rice-wheat cultivation.
    With the productivity of rice and wheat reaching a plateau, there is pressure to seek an increase in MSP to increase income. However, demand and supply do not favour an increase in MSP in real terms.
- **Fiscal Challenge:** In India, the per capita intake of rice and wheat is declining and consumers' preference is shifting towards other foods. However, rice and wheat procurement in the country has more than doubled after 2006-07.
    Due to this demand-supply mismatch, the country does not find an easy way to dispose of such large stocks and they are creating stress on the fiscal resources of the government.
- **Entrepreneurial Skills of Farmers:** Procurement of almost the entire market arrivals of rice and wheat at MSP for more than 50 years has affected the entrepreneurial skills of farmers to sell their produce in a competitive market where prices are determined by demand and supply and competition.

Way Forward

- **Alternative To Wheat & Rice:** The implication of all these changes is that farmers in the region will find it difficult to increase their income from rice-wheat cultivation and they must be provided alternative choices to keep their income growing.
    - Enabling the farmers of the green revolution belt to move toward high-paying horticulture crops requires institutional arrangements on price assurance such as contract farming.
    - The solution to the ecological, environmental and economic challenges facing agriculture in the traditional Green Revolution states is not in legalising MSP but to shift from MSP crops to high-value crops and in the promotion of non-farm activities.
- **Strong Forward & Backward Linkages:** Green revolution belt states need to promote economic activities with strong links with agriculture tailored to State specificities. Some options for this are:
    - Promotion of food processing in formal and informal sectors;
    - A big push to post-harvest value addition and modern value chains;
    - A network of agro- and agri-input industries; high-tech agriculture
    - Direct link of production and producers to consumers and consumers without involving intermediaries.

Conclusion

The traditional Green Revolution States would need to shed "business as usual" approach and embrace an innovative development strategy in agriculture and non-agriculture to secure and improve the future of farming and rural youth.

Drishti Mains Question

Green revolution served the great national goal of securing the food security of the country. Critically examine.

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This editorial is based on "Fight child malnutrition" which was published in The Financial Express on December 15th, 2020. Now watch this on our Youtube channel.