Submission to the UN Universal Periodic Review 41st Session of the UPR Working Group

Submitted on 31.03.2022

Joint Stakeholders' Report on Agricultural Sector in Tamil Nadu

Submitted by Safe Food Alliance, ASHA (Alliance for sustainable and holistic agriculture), ESRA – Environment and Social Research for Action

This UPR Submission is supported by Forum for UPR in Tamil Nadu, People's Watch, Human Rights Defender's Alert – India (HRDA) along with 1993 endorsees across the State of Tamil Nadu, India

For this UPR Submission, 1993 endorsements across Tamil Nadu have been received out of which 1317 endorsees wish to remain anonymous. Anonymous endorsees have given their consent to endorse but due to the reprisals they have seen being targeted against organizations and human rights defenders by the Government of India, they have chosen to remain anonymous.

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A. Introduction

- Tamil Nadu is a high-performing state that is the second biggest contributor to India's Gross Domestic Product (GDP). Its performance-based on infrastructure and social parameters also stands out since it is known for its high literacy rate and physical infrastructure. However, this has put agriculture at a crucial crossroads. The state has its unique mix of issues that need to be addressed.
- The average monthly income of Tamil Nadu's farm households was around 9716 INR as per the NABARD All India Rural Financial Inclusion Survey.¹ It was lower than many of the states. The households in debt were also much higher. 61% in Tamil Nadu versus a national average of 47%.
- Disproportionate risks, climate change, lack of remunerative prices, and debt
 have aggravated the agrarian crisis in the state. The situation has put a
 considerable amount of stress on the agrarian community; pushing more and
 more people to look for alternate and secondary sources of income. The stress on
 farm households has also increased considerably due to corona-induced
 lockdown.

B. Minimum Support Price

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¹Average Monthly Income - Page 36, of NABARD Financial Inclusion Survey https://www.nabard.org/auth/writereaddata/tender/1608180417NABARD-Repo-16 Web P.pdf

- Farmers have not been able to match supply and demand globally; this is highlighted by the developed capitalist countries still subsidizing their agriculture. In India, we have had low-income elasticity for agricultural produce, a major concern for our farmers. This is also one of the driving forces behind the Farmer Protests. It has been established that assured prices can ensure farmers have a steady income and will have one less risk to worry about.
- However, in the current system; Government Data² points to 6% of Farmers across India having access to MSP. It is prudent to note that MSP is fixed for 23 crops³ but mostly rolled out for only 4. In addition, the Ramesh Chand Committee 2015 report clearly states that the MSP cost estimates are wrong and should be reworked to include multiple cost parameters that are currently left out Making the current MSP calculation inadequate⁴. The data underlines the fact that MSP is the Maximum Securable Price for a small percentage of farmers.
- One should also note that the current procurement methods should not be compared to the MSP ask. Making MSP a legally binding entitlement for farmers would far benefit them and help improve their livelihoods more than other mechanisms that are being debated today. Tamil Nadu's development has increased the costs of living considerably adding to the Farmers' distress.
- Agriculture also played a big role in reducing rural poverty in the State over the years. The report of the Committee on Doubling Farmers' Income (2017) has indicated that Agriculture's potential to reduce rural poverty is at least twice that of the rest of the rural economy. Therefore, it is crucial to establish MSP as a legal right.

Recommendations

²Section 2.4.1 Providing effective price support to Farmers -

 $\frac{https://fci.gov.in/app2/webroot/upload/News/Report\%20of\%20the\%20High\%20Level\%20Committee\%20on\%20Reorienting\%20the\%20Role\%20and\%20Restructuring\%20of\%20FCI_English.pdf$

³MSP for 23 Crops - https://farmer.gov.in/mspstatements.aspx

⁴Chapter5 - Correcting Weaknesses in Minimum Support Price - https://eparlib.nic.in/bitstream/123456789/64974/1/16 Agriculture 12.pdf; https://prsindia.org/policy/report-summaries/swaminathan-report-national-commission-farmers;

https://agricoop.nic.in/en/doubling-farmers

- Make MSP a legal right for farmers making it mandatory to purchase on or above the MSP. Should be a legal offense if not complied with.
- PDPS Price Deficient Payment system; especially for perishable goods where the obligation is on the state to provide MSP entitlement on notified commodities by paying the difference.
- C2+50% Improve cost estimations and provide a formula that ensured remunerative returns over a comprehensive cost of production.
- Adequate market intervention to be factored; where declining prices need to be propped up and managed using various mechanisms.
- Adequate budgets or Investments to implement market intervention operations.
- Institute Taluk level resolution and compensational mechanisms.

C. Debt Relief

- All India Debt & Investment Survey (AIDIS) conducted by the National Statistical Office (NSO) showed a sharp increase in indebted rural households. The average debt⁵ grew from ₹32,522 in 2012 to ₹59,748 by June 2018. It is expected that the pandemic has only increased the debt.
- National Statistical Office (NSO) survey⁶ on "Land and Livestock Holdings of Households and Situation Assessment of Agricultural Households" - 2019 in the rural areas of India also points to the increasing debt of rural households. In this assessment, Tamil Nadu's rural households had crossed the 1 lakh mark.
- On the other hand, NCRB data⁷ underlines the farmer suicides; which is the
 extreme outcome of the country's agrarian crisis. They had reported 10,677
 suicides in the farming sector in 2020 of which 5579 were cultivators/ farmers
 and the remaining 5098 were agricultural laborers. There was a stark increase of
 18% in the laborers' suicides during the COVID year.
- It has also been established that farmers are still struggling to get institutional credit and are debt-trapped.

⁵Page 4 - Average amount of Debt (AOD) per household S-

https://mospi.gov.in/documents/213904/416359//press_note-AIDIS-

^{-240821%20}update1631267177422.pdf/7e46e96a-b4d5-d3e9-909c-41a6dd3ada2f

⁶Statement 5.7.1 – Average outstanding loan per agricultural household -

http://www.indiaenvironmentportal.org.in/files/file/agricultural%20%20housholds.pdf

⁷Page 8 - Farmer suicides in India - https://ncrb.gov.in/sites/default/files/adsi2020 Chapter-2-Suicides.pdf

• While the demand for MSP should improve the agricultural household income; it is also important to ensure that the households are freed from the debt trap. The indebted farmers need an established mechanism to help them get relief as required. The Kerala State Farmers Debt Relief Commission⁸ is an interesting model to learn and adapt from.

Recommendations

 Establish State Debt Relief Commission with a mandate to obtain an injunction on further proceedings against herself/himself by creditors until the adjudication is complete.

D. Women Farmers

- The average landholding of women is around 50 cents lower than the man.
- Women still face statistical invisibility; primarily due to the definitions of productive work. This underlines a crisis of regular employment, reducing opportunities, land dispossession and lack of access to suitable technology.
- Post-COVID, the job losses that women face are much higher than that of men, as several surveys are showing. It is also important to note that the MNREGES opportunities are reducing; including in the 2022 budget allocation.

Recommendations

- Need to address the lack of identity/recognition as farmers by Registration of women as farmers – Unified registry across departments and ministries – so that they will have an identity as farmers. Today most women come under the definition of a worker.
- Gender dis-aggregated data systems land records, agri-credit, schemes access, Forest Rights Act, etc.
- Land rights Inheritance in private ownership and land redistribution; control and management over commons for the landless and to forests and forest lands for Adivasi and Forest-dwelling communities.
- Equal wages.

⁸http://ksfdrc.kerala.gov.in/

- Credit support, capacity building, social security &compensation.
- Equal representation in all program and policy forums include all institutions that decide on allocations, use, and management of resources.
- Women appropriate tools.

E. Climate Resilient Farming

- The increase in extreme weather incidents has amplified the agrarian crisis increasing farmers' stress. An economic survey that came out in 2017-18 estimates that the projected long-term weather patterns imply that climate change could reduce annual agricultural incomes in the range of 15 percent to 18 percent on average, and up to 20 percent to 25 percent for unirrigated areas. This would aggravate food shortage, nutrient deficiency issues and in turn cause health problems in our population.
- The recent UNFCCC report⁹ to the Government of India shows that Agriculture is the cause of 18% of the GHG emissions in the country. A lot of it contributed to our land use and farming patterns.
- With India focused on Net Zero Emission goals; it is essential to explore sustainable and climate-resilient farming practices. We as a country would need to transition to practices that focus on Resource Efficiency, conservation of natural resources, and biodiversity; while promoting livelihoods. As highlighted by the United Nations Conference on Trade and Development (UNCTAD) report¹0"Wake up before it is too late" points to scaling up low-cost, agroecology as the solution and the operational strategy that the world would need to adopt. India can cut down on input subsidy investments for the government, and also bring down the cost of production for farmers.
- This has to be enabled by union, state and local body governments to establish and implement evidence-based policies and investments to establish climate-

⁹Agriculture GHG Emissions contribution - https://unfccc.int/resource/docs/natc/indbur1.pdf

¹⁰Low-cost agro-ecology solutions - https://www.fao.org/policy-support/policy-themes/sustainable-food-agriculture/en/

- resilient farming practices. As part of this modality, particular crops and ecological production practices can be additionally incentivized.
- This would in the medium and long term ensure that the MSP guarantee does not have inflationary tendencies for the whole economy, and does not imply a huge public financing burden for the government, other than ensuring that economic and environmental sustainability issues are addressed in parallel.

Recommendations

- Agro-Ecological farming policy While the science directs us towards sustainable agriculture that is cross-sectoral, integrated and participatory; we still do not have an Agro-ecological farming policy in Tamil Nadu.
- Crop diversification needs to be leveraged to reverse resource degradation, protect biodiversity, build resilience to shocks and address the challenge of climate change.
- Inclusive Stakeholder Consultation the data for effective adoption directs us towards farming on smaller landholdings; but the small and marginal farmers along with women, SC and ST farmers are barely represented/consulted.
- Climate-resilient practices need to be propagated through appropriate training, initiating dialogues and handholding by building multi-stakeholder platforms.
 Funding needs to be raised to facilitate this.

F. Bio-Diversity Conservation

- The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)¹¹ had stated that close to 1 million of earth's 8.1 million species are under threat of extinction. Tamil Nadu is at the forefront of the degradation with various issues of rapid urbanization, habitat destruction, overexploitation, pollution, and invasive species; plaguing us. The proof is substantiated by the multiple stories of conflict that have been increasing in the press.
- On the other hand,189.2 million; almost 14% of India's population is undernourished – according to the State of Food Security and Nutrition in the World, 2020 report¹². India had only ranked 94th out of 107 countries in the

¹¹https://www.ipbes.net/

¹²https://www.fao.org/3/ca9692en/online/ca9692en.html

- Global Hunger Index 2020¹³. To meet the 'zero hunger goal by 2030; we will have to adopt an integrated approach to farming and consumption. The overall food system needs to be revisited.
- As stated by the World Health Organization¹⁴in their fact sheets; "Biodiversity plays a crucial role in human nutrition through its influence on world food production, as it ensures the sustainable productivity of soils and provides the genetic resources for all crops, livestock, and marine species harvested for food. Access to the sufficiency of a nutritious variety of food is a fundamental determinant of health. Nutrition and biodiversity are linked at many levels: the ecosystem, with food production as an ecosystem service; the species in the ecosystem and the genetic diversity within species. The nutritional composition between foods and among varieties/cultivars/breeds of the same food can differ dramatically, affecting micronutrient availability in the diet. Healthy local diets, with adequate average levels of nutrients intake, necessitates the maintenance of high biodiversity levels."

Recommendations

- Prioritize conservation.
- Stop exploitation of living natural resources & Habitat destruction.
- Manage Unplanned Urbanization/Industrialization/Pollution.
- Recognize and strengthen conservation-linked livelihood efforts.
- Invest in conservation / Adoption of sustainable practices.
- Incentivize farmers that grow traditional crops.
- Ban Genetically Modified Crops/Food.

G. Rural Livelihoods

 Tamil Nadu's rural population is migrating to urban centers¹⁵due to a lack of remunerative or productive work, better education and healthcare. It is estimated that by 2030 close to 67% of Tamil Nadu's population would be living in urban centers. The cities are not able to absorb the able-bodied population and provide

¹³https://www.globalhungerindex.org/

¹⁴https://www.who.int/news-room/fact-sheets/detail/biodiversity-and-health

¹⁵ http://www.spc.tn.gov.in/12plan_english/7%20Urbanisation.pdf

enough work;¹⁶city planning and associated civic structures like solid waste management have fallen behind.

- While the Rural Livelihood Mission by the government has not created any visual impact on the rural economy; the villages are under-utilized. It is also important to note that the unemployment rate in rural India is much lower than the urban centers as highlighted by the research done by the Center for Monitoring Indian Economy Pvt. Ltd.
- Though agriculture and associated activities have the potential to provide jobs; the contribution has been decreasing. However, by addressing the capital shortage and creating employment opportunities, we can create a paradigm shift.

Recommendations

- Rural start-ups/ Incubation center.
- Focus on circular economy.
- Revive Uzhavarsandhai in all districts, special local markets for women SHGs & small farmers.

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¹⁶https://unemploymentinindia.cmie.com/