

ing the policy for women officers to serve on select warships that have appropriate facilities for women, added the statement.

Duggal said the insurance scheme will be linked to PMJDY from May. Incidentally, the districts of two opposition-ruled states are set to win

the deputy governor. Prakash credited PSU banks for the same and said private sector banks were 'found wanting' in this regard.

political analyst S Mahadeva Prakash said. Prakash said the earliest case of a CM dealing with disrepute over his son was that of Veerendra Patil in

step to the downfall of the Veerendra Patil government then," he told ET. This was followed by Veerendra Patil's close friend, Ramakrishna Hegde, in 1985.

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Can Modi Lead India's Farmers Out of Their Maze?

The Needle's Eye



CHAITANYA KALBAG

Why is Maharashtra in such a mess? It has been written many a times about the abysmal state of agriculture in India. There is no doubt at all that vote-bank manipulation, corruption and the callous indifference of generations of politicians have severely crippled the farm sector. Maharashtra is the prize exhibit

A train carrying 2.5 million litres of water has just pulled into parched Latur in Maharashtra. This is not the first time Latur has been visited by calamity. Twenty-three years ago 7,928 people died in the devastating magnitude 6.4 Latur earthquake. Today the suffering is wider. In nearby Beed district, desperate farmers crowd into an emergency camp stocked with fodder and water for dying cattle. The central government tells the Supreme Court that at least 330 million Indians, a quarter of the population, are affected by drought. Maharashtra imposes a five-year ban on new sugar mills. During 2014, a total of 2,568 farmers committed suicide in Maharashtra, half the national total of 5,650.

Why is Maharashtra in such a mess? Three-quarters of farmland in the western state is un-irrigated and rain-fed; nearly 79% of its farmers are small or marginal and eke out a living on parcels of two hectares or less. Maharashtra is the country's second-highest sugarcane grower; yet, its productivity is only the seventh-highest in India (66.35 tonnes per hectare in 2012/13 compared with 105 t/ha in West Bengal). It is a similar story for cotton, despite the famous black cotton soil of the Deccan Plateau. In 2014/15 area under cotton cultivation in Maharashtra rose to 4.19 million hectares from 4.16m a year earlier, but output dropped 25% to 6.6 million tonnes; in fact, Maharashtra has the lowest productivity per hectare among ten cotton-growing states (368.80 kg/ha in 2013/14 compared with 758.08 kg/ha in Gujarat). Both cotton and sugarcane are very water-intensive.

I wrote in my last column about the abysmal state of agriculture in India. There is no doubt at all that vote-bank manipulation, corruption and the callous indifference of gen-

erations of politicians have severely crippled the farm sector. Maharashtra is the prize exhibit. "Maharashtra requires very deep thought," India's most famous agricultural scientist Dr MS Swaminathan told me. He said a state commission ought to be set up to investigate water, soil, climatic conditions and the best cropping pat-



THE LOOPHOLES



Government procurement has led to corruption, leakages and outright theft

terns. In fact, Swaminathan authored a two-volume 2002 report on revolutionising agriculture in Maharashtra. Seventeen days after he presented his report, the state's chief minister Vilasrao Deshmukh was forced to resign because of internal strife in the Congress party. His successor Sushilkumar Shinde buried the Swaminathan report. "Usually they go by the political interests at a particular point of time," the exceedingly polite 90-year-old Swaminathan said from his Chennai office. "I would like to update it."

The ever-optimistic Swaminathan, whose name is synonymous with India's Green Revolution, chaired a bigger blue-ribbon National Commission on Farmers (NCF) during the United Progressive Alliance regime. Ironically, during the ten years of the UPA government (2004-14) Maratha strongman Sharad Pawar, who built his power and fame on the back of his sugar empire, was the country's agriculture minister.

Incredibly, Swaminathan's five reports between 2004 and 2006 were also left to gather dust by Pawar.

"We are a country with grain mountains and hungry millions," Swaminathan said. "Our record in overcoming hunger and malnutrition is very poor." The NCF report pointed to the European Union to argue strongly for a common agricultural market in India. This is much easier said than done.

The Indian farmer who tills his small holding is hostage to the crooked middleman in a market fragmented into nearly 30,000 mandis. More than 7,500 of them are Agricultural Produce Market Committees (APMCs) regulated by each state under its own legislation. The APMC are supposed to buy and sell foodgrains. At the same time, the government's Minimum Support Prices (MSPs) have worked only for rice and wheat in just five states – not for pulses, five million tonnes of which were imported in the year ending March 31. Government procurement has led to corruption, leakages and outright theft. Earlier this week five million tonnes of wheat were reported to have gone missing from Punjab government warehouses. Poorly stored and allowed to moulder, wheat is purchased as foodgrain and sold as feedgrain – good only for livestock.

Instead, if the government got out of the business of buying and storing foodgrain, things would improve dramatically. For instance, the MSP for arhar dal is Rs 4,435 per quintal (100 kg). If the market price is only Rs 3,500/quintal, the government could transfer the difference, Rs 935, to the farmer's Jan Dhan Yojana bank account (215 million of them have been opened so far) through a direct benefit transfer (DBT). The farmer could then still sell his produce at the open market price and



MODI MAGIC



Modi speaks about the need of farmers and adopt smarter new ways of growing and selling

not slide into debt. The farmer cares about price protection; he doesn't care who he sells to. But is this happening? No.

On April 14, Prime Minister Narendra Modi spoke to an audience consisting largely of farmers about his government's newly launched National Agricultural Market. Modi, a tireless evangelist for every economic step his government takes, is probably the first prime minister to speak so feelingly and for so long about the need for farmers to lift themselves out of poor crop prices and penury, and adopt smarter new ways of growing and selling their produce.

While extolling the virtues of

eNAM, Modi said farmers must recognise that over-irrigation does not yield better crops. He urged sugarcane farmers to switch to sprinkler or drip irrigation: it would even raise the sugar content in their cane. He said his mission was 'per drop, more crop'. "Through eNAM, I say with full faith, my farmer will now decide where his crop will sell, when it will sell, and at what price," he said.

Finally, we are beginning to see echoes of the Swaminathan recommendations, but this is only a first step: so far eNAM links only 21 mandis from eight states. It hopes to go to 200 in five months and 585 by March 2018. That's less than a tenth of existing APMC.

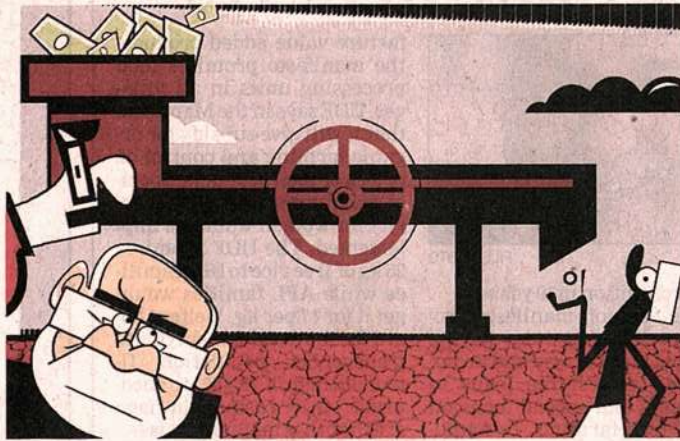
The good news is that there is already a working model in Karnataka, and a bipartisan one, too, proving that economics can trump politics.

Back in 2011/12, when Karnataka was ruled by Modi's Bharatiya Janata Party (BJP), the state government teamed up with NCDEX (National Commodity and Derivatives Exchange) to set up the Rashtriya e-Market Services Pvt

Ltd. Over the past four years, their joint venture has created a United Market Platform (UMP) connecting 105 of Karnataka's 157 APMCs.

What did Karnataka do right? First, it adopted the model APMC Act to bring in uniformity; earlier each APMC had its own rules. Second, the market unification was launched by the BJP and carried forward by Karnataka's current Congress government, so there was political consensus. Third, existing APMCs were roped in to create liquidity. Fourth, a single state-wide trader's licence was created: earlier a trader needed a licence for each of Karnataka's 157 mandis. Fifth, e-permits now make it easy to move goods within the state and eliminate harassment between mandis.

The result? Better pricing for the farmers has nearly doubled the value of produce traded through the UMP to nearly Rs 12,600 crore in 2015/16. Volumes transacted have leaped seven-fold. Traders from other states are signing on to the UMP. Government revenue has shot up because there is no leakage; everything is electronic. In turn, money is being ploughed back into grading and assaying of farm produce, which leads to more reliable price fixation. Encouraged by Karnataka's success, Gujarat and Andhra Pradesh have also joined hands with NCDEX. So there is a glimmer of a way out of the farm maze. Meteorologists predict India might enjoy a normal monsoon this year. Businessmen hope more rain means more consumer demand. The central bank governor says he might trim interest rates further if the rainfall is good. For now, farmers in Neemuch in Madhya Pradesh get 30 paise a kilogram for their onions. I pay Rs 30 a kilogram at my doorstep – one hundred times more. There's a long way to go between farm and fork.



ANIRBAN BORA