

Press Release

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Modi govt's 6th Budget Adds Insult to Farmers' Injury

PM-Kisan Samman Nidhi dishonours the contribution of the farmers; too meagre to make any difference to the farmers' plight

Government fails to present an Outcome Budget

Silent on the most pressing questions – Income, Prices, Indebtedness, Insurance, Drought

Farmers and farm activists from nine states across the country who gathered in Shikohpur village in Haryana to witness and respond to the Union Budget dismissed the government's declaration of PM Kisan Samman Nidhi as adding insult to the farmers' injury. While claiming that it is a major step towards doubling farmers' income and that the farmers will not need to go to moneylenders, the Budget speech announced just Rs.6000 per year per family. Kirankumar Vissa from Rythu Swarajya Vedika, Telangana said, "In comparison, the Rythu Bandhu scheme of Telangana government provides Rs.10,000 per acre of support, which means that a 5-acre farmer would get Rs.50,000 per year, giving at least partial support towards cultivation cost. It is a joke to declare that the meagre Rs.6000 per year will save farmers from the moneylenders, when a typical small farmer requires an investment of at least Rs. 1 lakh in cost of cultivation."

Yogendra Yadav, President of Swaraj India said, "The government's real intention is clear from the decision to begin this scheme retrospectively and to pass on the first installment within this financial year. Clearly, this is a desperate measure to buy the farmers' votes, by transferring Rs.2000 to their accounts before the election. It is a double insult to the farmers that the government expects to get the farmers' votes so cheap. Farmers will surely reject this dishonourable bargain."

This announcement suffers from additional infirmities, since the scheme excludes farmers above 5 acre even in rain-fed areas, the landless cultivators, tenant farmers, and the millions of farmers who do not have land pattas, including adivasi farmers. It is also not clear how this scheme will be implemented in such a short time period in the absence of any data base of all the farmers.

The announcement on interest subvention is of minor significance because it applies only to loans which are rescheduled during calamities. With most natural calamities not even being declared by the government and poor implementation of loan rescheduling, this benefit would hardly go to 1% of the farmers. Avik Saha of Jai Kisan Andolan said, "The Minister declared that the government will do anything for protection and promotion of the cow and set up a Commission for the same. But what is he doing to protect those farmers who protect the cows? He did not even acknowledge the huge problem of stray cattle that have become the scourge of the farmers in villages across India, due to the irrational policies on cattle trade and the havoc by 'gaurakshaks'." The government's support to dairy farming and animal husbandry has been very poor – out of the promised Rs.10,881 crores for Dairy

Infrastructure Development Fund in 2017-18, only Rs.440 crores has been disbursed so far.

Yogesh Pandey of Swabhiani Shetkari Sangathana expressed deep disappointment that the problem of mounting dues of sugarcane farmers, in excess of Rs 11,000 crores, did not merit even a mention in the FM's speech. He said that the government is divorced from the reality of the farmers.

When the government's term is ending shortly, the farmers hoped that the government will present the true outcomes of the earlier schemes and announcements, instead of announcing further new schemes. Official figures of the output of some of the schemes show why the government has shied away from presenting an outcome budget. In the Pradhan Mantri Fasal Bima Yojana, the target output was coverage of 50% of farm holdings but the actual coverage fell from 29% in 2016-17 to 24% in 2017-18 and further decreased in 2018-19. Converting 22,000 rural haats into fully equipped agricultural markets was declared as a priority in Budget 2018-19. But so far only 85 have been completed and 180 are in progress. In addition to the Dairy Development Fund mentioned above, an Animal Husbandry Development Fund of Rs.2430 crores was announced but it has not been set up after 1 year.

Finally, the farmers did not receive answers to their most crucial questions from this Budget, such as Income, Prices, Insurance, and Indebtedness. Three years have passed since the government announced that farm incomes will be doubled in 6 years. At the half way point, how far have the incomes improved? While the Minister talked about the historic hike in MSP, what were the actual prices realized by the farmers this season? When the PM-AASHA scheme was supposed to ensure that all farmers get MSP, why has it received an allocation of only Rs. 1500 crores? In Madhya Pradesh alone, the expenditure on Bhavantar scheme was Rs.1800 crores to cover less than 20% of the farmers. Why is the coverage of PMFBY declining even though the expenditure has increased by 4 times after the scheme began? How will the farmers get out of the trap of indebtedness? Why is the data on farmer suicides not being released after 2015?

In the end, the Budget 2019-20, after raising expectations of a big election-year announcement for farmers, proved to be a big disappointment to the farmers and farm activists who gathered in the village of Shikoh, Haryana, to witness and respond to the Budget. Among those present were representatives from nine states – Haryana, U.P., Rajasthan, Punjab, Maharashtra, Telangana, Andhra Pradesh, Delhi and Uttarakhand. Swaraj India – from Swaraj India, Jai Kisan Andolan, Rythu Swarajya Vedika, Swabhimani Shetkari Sangathan, Terai Kisan Sangathan and Bharatiya Kisan Union (Benipal).

****Issued by: Yogendra Yadav, President, Swaraj India; Avik Saha, Convenor, Jai Kisan Andolan; Kirankumar Vissa, Rythu Swarajya Vedika; Yogesh Pandey, Swabhimani Shetkari Sangathan; Tajinder Singh, Terai Kisan Sangathan, Uttarakhand; and Rajendra Singh Benipal, Bharatiya Kisan Union, Punjab****

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