
II. Indian Farmers Challenge Global Food Cartels

Mass Farmer Protest in India Is Front Line Against Cartels and Famine

by Marcia Merry Baker and Ramtanu Maitra

Dec. 12—As of mid-December, the showdown continues in India between farmers who want the conditions necessary to continue producing food, and cartels of transnational food companies, seeking more power through new government laws to deregulate agriculture. In New Delhi, an estimated 300,000 farmers are now in and around the city, in protest. They have been there for over two weeks, with tractors and trucks, in makeshift camps, at the same time as demonstrations have been taking place all over India for two months,

involving nearly 250 million people. A familiar sign is, “No Farmers, No Food.”

These major actions concern the food supply for the nation of 1.38 billion people, and India’s role as producer of a major share of world annual food output. For staple grains, India is number two after China in volume of output for both rice and wheat. India produces 24 percent of the world’s annual rice harvest, and produces 14 percent of world wheat. Any undercutting of India’s productivity guarantees food shortages, even famine.



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An estimated 300,000 farmers protest changes in farm-related laws in New Delhi, India, on November 26, 2020.

The confrontation is between agriculture for food in the public interest, against corporatist control, and potential devastation.

At issue in India are three new national laws billed as agricultural “reform,” but whose measures deregulate farming in ways to further more “free market” exploitation of food producers, and endanger food supplies. The proposals were first put forward in June 2020, then rammed through the Parliament in September. In the past 10 days, farm leaders have had five rounds of meetings with government leaders, ending in stalemate December 9. The farmers want the new laws cancelled. They demand a call-up of a special session of Parliament to repeal the laws. Opposing this, the government has been offering certain concessions as amendments, culminating in a 20-page offering December 9, forwarded to the farm leaders by the Ministry of Agriculture and Farmers’ Welfare. This came after the December 8 meeting between Home Minister Amit Shah and 13 representatives of the farm unions. But no resolution was possible.

After the failed December 9 talks, the media were briefed by spokesman Rakesh Tikait for the farm organization Bharatiya Kisan Union, who said that, “Farmers won’t go back. It’s a matter of their respect. Will government now withdraw the laws? Will there be tyranny? If the government is stubborn, then so are farmers. The laws have to be withdrawn.” On the next step, he said, “The government will prepare a draft and give it to us. They said they will consult the states too. Discussions were held on the Minimum Support Price (MPS) as well, but we said that we should also take up the laws and talk about their rollback.”

The farmers have issued a multipoint action plan, which includes December 14 as a day of national strike, with prior protests to include shutting down all toll



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Thousands of farmers on their way to New Delhi, November 27, 2020.

plazas in the nation on December 12, and also shutting the major highway from New Delhi to Jaipur. Blocking railway tracks is also under discussion, not limited to the states of Punjab and Haryana—from where, along with Uttar Pradesh, most of the New Delhi protesters come—but nationwide.

Why Farmers Are Protesting

For decades, discontent has been brewing in India’s farmlands. The recent upsurge by the farmers, however, has its source in the Modi government promulgating three ordinances last June relating to agricultural marketing. Subsequently, the administration rammed them through Parliament, transforming them

into legislative bills without adequately discussing the ramifications.

Among the three laws, one concerns bypassing the APMC Act of 1964 (Agriculture Produce Marketing Committee), which mandated government-regulated markets, called mandis, through which traders buy farmers' goods. The traders typically require a license, and pay fees, which go to the state governments. The APMC Act has gone through a number of reforms over the years, but now, for the first time, it is proposed that there be trade outside the APMC-regulated mandis. That means private mandis can be set up across the country where anyone can buy produce from farmers. Licenses that buyers are required to possess to be in the APMC are no longer necessary in those private mandis. Traders in the private mandis are also exempt from paying any taxes or fees. It is evident that these private mandis will be set up by the major food and commodity corporate interests.

The Modi administration claims this privatization shift will provide the farmers more choices to sell wherever they want. Farmers counter-argue that instead of providing them more choices for securing better prices for their produce, it will leave them at the mercy of a few private players who will organize as cartels, thus setting the price. Also, farmers note that since the private mandis will not require the buyers to have licenses or to pay taxes, most buyers will leave the APMC regulated mandis, and eventually those mandis will be abandoned. This leaves all farmers at the mercy of these corporate-run mandis. That is the reason why one of their slogans is: "Corporate bhagao, farmers' bachao"—"Drive out the corporate crowd, save the farmers!"

The second law backs contract farming. This law, if implemented, means that an agreement can be made between the farmer and the buyer before the crop is sown, under which the farmer is contracted to sell his/her produce to the buyer at a predetermined price.

There already is contract farming to a limited degree in the sugar and dairy sectors. The government claims it ensures income certainty and even some financial help from the contractor, coming as input before and after sowing. Farmers, in opposition, point to a report that notes that contract farming in parts of Maharashtra rendered participating households vulnerable to indebtedness and loss of autonomy over land and livelihood decisions. Agriculture economist

Sukhpal Singh has said that contract farming in India involves many kinds of malpractice against farmers including "one-sided (pro-contracting agency) contract agreements, delayed payments, quality-based undue rejections and outright cheating, besides poor enforcement of contract farming provisions by the state government."

Thirdly, there is the matter of the Minimum Support Price (MSP): This is at the heart of the protests. An MSP has been announced annually for 23 designated crops, but now, farmers fear that with the three new laws, the government is signaling that it is moving away from the current patterns of procurement under the MSP. The farmers' fears are well-grounded. Some economists have argued that the MSP regime, as it exists today, is unsustainable. There is growing discussion that minimum support for farmers should be reduced, as part of reducing subsidized food for the poor, which proponents say should be done.

Fundamentally, farmers simply do not trust the government, after a series of broken promises during these last six years. Farmers are afraid that the government is paving the way for its withdrawal from procurement at MSP levels, by promulgating the APMC "bypass law," which will lead to private, cartel buyers replacing the mandis. Farmers are demanding that the government pass new legislation which deems MSP as a legal right. This demand has a long history, but it was never met. In response, the Modi government claims that Center—the administrative agriculture office—has said that it will provide "written assurance" that the existing procurement mechanism will continue, but the farmers do not trust such promises.

The Punjab assembly has already passed such a law, but it is still to get the assent of the president. Even if the assent does come through, it remains unclear how the law will be implemented.

The farmers have put forward another demand regarding the MSP, that it be determined based on the calculation of cost-plus-50%. This calculation was recommended for farmers by the National Commission on Farmers (2004-2006) chaired by the esteemed M.S. Swaminathan, the Green Revolution agricultural leader. Prior to 2014, the BJP—the Bharatiya Janata Party—had promised to implement this MSP formula once it came to power. But the Modi administration has not done it, though it claims to have met most of the commission's requirements.

One of the reasons for the Swaminathan Commission's formation, was to put forward policies to end the nationwide disaster of farmer suicides. This is a crisis today. In 2019, there were more than 10,000 suicides in the farm sector in India.

Along with the three new laws unacceptable to farmers, are still more objectionable by-laws. One such measure is the Electricity Amendment Bill, 2020. Indian farmers get subsidized electricity. They pay the subsidized rate to the DISCOMs—electricity distribution companies—and the balance amount owed is paid by the state governments. These payments are often delayed. The effect of this, and other factors, has resulted in a situation where the balance sheets of the DISCOMs are in a state of disorder and nonpayment.

The new Electricity Amendment Bill of 2020, which farmers are protesting, changes how the subsidy is paid. As per the new bill, farmers will have to pay the full charges for electricity to the DISCOMs. Then the state government will transfer a subsidy amount to the bank accounts of farmers. Again, farmers do not trust that this mechanism will work as laid out, and fear that while their electricity charges will go up, the transfer might not be enough to cover the increase.

Corporatist Agriculture, 'Corporate India'?

There is yet another reason for the mass demonstrations in India. In addition to the farmers' wrath, there is a growing concern among many that Prime Minister Narendra Modi has embraced "corporate India" as his anchor for future economic development. Farmers, in particular, are concerned that a large-scale "invasion" by the corporate sector into agriculture, with the blessing of the Indian government, will undermine their control over their own land and livelihood.

The huge food processing sector in India already boasts several of the biggest transnationals in the world among its top ten companies, in particular, Unilever and Nestlé, from the Anglo-Dutch-Swiss cartels. In both processing and agro-inputs, Cargill is on the move. Over recent decades there have been several major clashes between Cargill and Indian farmers. In retail as well as processing, Walmart, infamous for driving down prices to food producers, is pushing hard in India.

The context for India's new "free market" laws, rejected by India's farmers, includes the fact that the com-



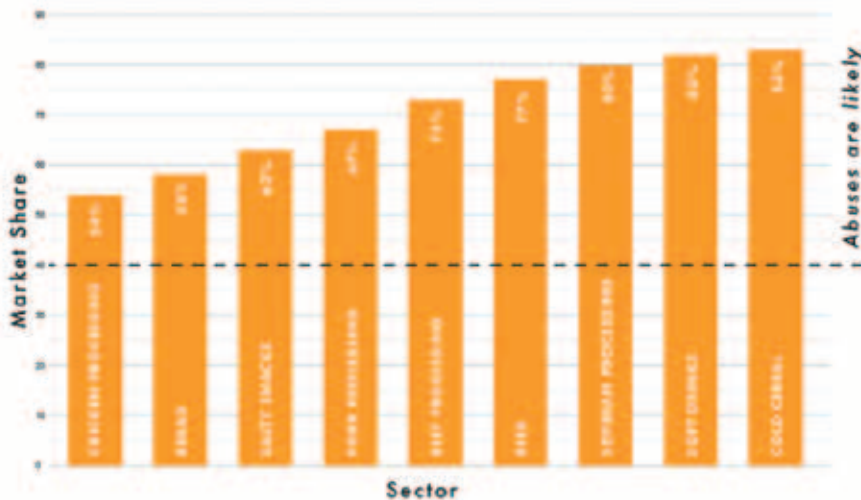
MSSRF Media

M.S. Swaminathan, Chairman of the National Commission on Farmers (2004-2006), an internationally renowned agricultural leader in scientific crop innovation.

modities wing of the City of London/Wall Street networks has been consolidating its global control over all aspects of agri-food systems, including key inputs to agriculture—seeds, chemicals, and so on. Only China, and now to a degree, Russia, stand outside this domain. The global consolidation has been tightening especially since the 1995 World Trade Organization enactment, and the extreme lack of anti-trust action in the United States, Europe, and elsewhere in deference to the City of London and Wall Street, even going back to the old colonial trade and plantation patterns imposed by the Anglo-Dutch empire.

Figure 1 summarizes "global market concentration" in the areas of agriculture inputs. It is from a new study, "The Food System: Concentration and Its Impacts," a Special Report by the Family Farm Action Alliance, released November 19, 2020, which is mostly focused on the U.S. But Alliance President and co-founder Joe Maxwell stressed, in prepared remarks to the Schiller Institute conference of December 12-13, 2020, that "these big corporate giants" moving in India this way, are an enemy of everyone, anywhere. He said of the Indian protests, "I'm proud of farmers there, standing up, getting ready to charge forward with a plan to protest. 'Go get 'em,' is what I say. Clearly, we have to work together and in solidarity around the world, as farmers who want to take care of the land, their animals, and want to feed our neighbors healthy, safe food."

Percent of Market Controlled by Top Four Corporations



comes from having 40 percent of the world's cotton crop area.

The farmers are protesting against Modi's Administration for its decision to assert that its new laws will enhance "efficiency" by increasing competition among the farmers, and with new freedoms for the big corporations. This fight is the right thing for the farmers to do. But the farmland itself has been neglected for decades, and as a result, the farmers have remained vulnerable.

Consider another side of this, that farmers must have the means to care for resources for future productivity as well as present production. Look at how this was embodied in the concept of how to calculate the MSP, when the Swaminathan Commission issued its 2006 recommendations. The concept is that if an adequate MSP level is given to farmers—based on cost-plus-50%—then farming families will benefit significantly,

and have the wherewithal to carry out—alongside government, scientists and others—the measures needed for soil, drainage, and other farm improvements.

This principle of the MSP is akin to the traditional American System "parity pricing" for farmers. This was implemented during the Presidency of Franklin Delano Roosevelt, through Agriculture Secretary Henry Wallace, who had also initiated the institutions which created the "Green Revolution," in which Swaminathan played an outstanding part, alongside famed crop scientist Norman Borlaug.

One counter note to the farmers' protest, is that many of its leaders are letting themselves be "played" against the Modi BJP Government and its corporate allies, by the anti-BJP state governments and commodity middlemen—those who maintain the mandis, and pay taxes to the state governments. These people have no good intentions for the farmers in their heart. The farmers are falling into alignment with them, only by seeing the Modi government and corporate cronies as the "greater enemy." It's the "Big Picture" that's needed now.

The True Green Revolution—Unfinished Business

At the heart of the ongoing farmer protest in India, however, lies a problem that is now decades old. One government after another has virtually ignored major capital investments in furthering the agricultural revolution—the original Green Revolution—by not investing in water projects, soil fertility, power, and land improvements. Yes, farmers are right and courageous to ensure that they do not get pushed aside by the corporate crowd and lose their lands, but critical in this battle, is to put forward the demands for improvement of land fertility through better irrigation, better seeds, timely fertilizer applications, and other aspects of advanced agronomy.

India's grain and pulse productivity is way below that of the East Asian countries. In India, the food surplus situation exists because of the large area of arable land under cultivation, not because of yields per hectare. This point is underscored by how India is the world's biggest cotton producer, but with a relatively low output per hectare. Its top rank in cotton output