

# Unshackle Farmers

*Shift focus from compensating them to reforming rules that restrict their market access*

The impact of a 10-day-long farmers' agitation is being felt in several parts of the country. With farmers threatening to block dairy and vegetable supplies it is not just governments but residents in cities who will also feel the heat. The protesters are demanding complete loan waivers, assured income for farmers, and higher minimum support prices. But while such measures can be a political salve that addresses the immediate problems of some farmers, these cannot free them from being perpetually at the mercy of governments, middlemen and moneylenders.



It is licence raj era regulations tailored for foodgrain security that have truly broken the farmers. So the state must bite the bullet and remove regulations that prevent farmers from accessing larger markets and restrict export. Next, help farmers by facilitating long-term purchase agreements with agro companies that can set up warehouses and cold chains. It is also time to recognise that MSP and loan

waiver schemes are not reaching those farmers who face repeated price shocks and are in the grip of a trader mafia.

Dismantling of APMC raj has begun in states like Maharashtra and Bihar but the benefits will become evident only when all states follow suit and markets are integrated. Many of these measures are politically difficult and will face resistance from traders and Left groups who will dub it as selling out to corporate interests. Even Madhya Pradesh's innovative Bhavantar yojana to pay farmers the differential between MSP and mandi rates without the state getting into the logistics of procurement has failed during price crashes, a reason for the renewed protests this year. The focus must shift from compensating farmers to freeing them from rules and structures that depress farmgate prices.