

Pro-corporate can also be pro-poor -Vivian Fernandes

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A leader from humble beginnings should feel the pain of the people and not corporates that impoverish them, Bihar chief minister Nitish Kumar said recently, an obvious reference to Gujarat chief minister Narendra Modi. Whether Modi is pro-business is not important, what's important is what business can do for the poor if harnessed properly.

Seven years ago Modi backed an officer who had innovative ideas for tribal welfare. Upon taking charge of the department, Anand Mohan Tiwari (now principal secretary, education) decided, after much debate and discussions, that low-yield, low-income agriculture was the root cause of tribal poverty. Gujarat's 7.5 million tribals, or 15% of the population, are better off than tribals elsewhere but they do not measure up to other Gujaratis on most counts, except land holding, albeit stamp-sized ones. A study by Amita Shah of the Gujarat Institute of Development Research (GIDR) showed that in the 10 years to the middle of the last decade, poverty among tribals had actually increased, while it had fallen in rural Gujarat.

Tiwari believed that tribals could be lifted above poverty by getting them to switch to high-yield, high-income agriculture—which is how the Green Revolution brought prosperity to India's rural plains. For the sake of brevity, this report written after a three-week tour of tribal areas, made possible by Delhi's Centre for Study of Developing Societies through its Inclusive Media Fellowship, will focus on maize (and not vegetables or dairying), the staple of the Gujarati tribal. There has been maize revolution in India since 2000.

Production has risen by 66% to 20 million tonnes in 2011. Productivity is up 33%. Hybridisation has moved from 30% to 55%. Unlike the cotton revolution, initially triggered by Monsanto's genetically modified Bt seed approved for commercial use in 2002, state research institutes are also responsible for the maize makeover.

If private companies could roll out Bt-cotton over 93% of the crop's area, make India the second-largest producer and as big an exporter, why not tap their enterprise and profit motive for an encore in maize, reasoned Tiwari. Coincidentally, Monsanto had around this time proposed to the tribal development department a pilot to demonstrate the gains from hybrid maize. The offer was accepted. Monsanto gave free seed, fertiliser and coaching in new farming practices to 15,000 farmers in 300 villages. It claims to have doubled the yield per acre and also the profit that farmers made.

This became the basis for Project Sunshine (recently renamed), whereby the government brought seed from four private companies including multinationals Monsanto India and DuPont's Pioneer Hi-bred International without ideological hang-ups. It provided 8 kg of hybrid seed and 150 kg of fertiliser to every poor tribal before the rains set in. The package costing R2,600 was given to the farmers at a deep discount. They paid R500 initially and R1,100 in the last season. The plan is to phase out the subsidy over the next three years, in the expectation that a sizeable number of tribals would have converted by then to persuade the private seed companies to roll out their distribution network in the tribal areas.

Reputed non-government organisations with a record of service like Sadguru Foundation (founded by the Mafatlals and supported now by the Tata trusts), Gramin Vikas Trust (of the fertiliser cooperative

company Kribhco) and Shroffs Foundation Trust (promoted by the Shroffs of United Phosphorous and Transpek Industries) were enlisted on the basis of World Bank-approved quality and cost parameters. These NGOs were supposed to distribute seed and fertiliser and guide the farmers in new farming practices through the crop cycle.

A compact agency, outside of government, with professionals on contract was set up to monitor the project. It was called Development Support Agency of Gujarat or D-Sag.

Five years later, what is the outcome? In Chhota Udepur one could sense the momentum of change. Courtyards with yellow cobs (desi maize is white) drying in the sun confirmed the switch. A former sarpanch said with a gleam that he had reaped 30 quintals an acre, and had made over R1 lakh in four months from his four-acre crop. The average yield from hybrids in this area was 11 quintals, though Monsanto's seeds have the potential to deliver 36 to 45 quintals says its India region CEO, Gyanendra Shukla. A farmer said he would go to towns like Bodeli to get hybrid seeds, if they were not locally available. A woman baking yellow maize rotis for lunch had compromised in favour of her wallet than her palate (desi maize is tastier).

Gujarat's tribals are not all alike, like the terrain they inhabit. In Dahod, one could sense resistance to change. Two sarpanches (by no means poverty-stricken) said hybrids were more productive but they would sow them only if the government supplied the seed before the monsoon set in, indicating that they were hooked on to subsidies. One presumes they spoke for households in the villages they represent. One farmer who had used hybrid seed for three years (during the summer season) had not planted hybrids as a winter crop because he found them too expensive. A non-tribal school teacher who had planted hybrids on his own and got a good result said farmers were illiterate and were reluctant to grow yellow maize for fear that it sucked nutrients out (true, if not replenished, since high yields cannot come out of air).

But an agri-inputs dealer in Dahod's main bazaar who had feared that subsidised seeds would drive his business aground said they had instead boosted it. Last year, he had sold seven tonnes of hybrid seed (enough to cover nearly 900 acres) in just two months because government seeds were late in arriving. Above poverty level tribals were seeking out hybrid seed, he said, learning from the experience of their BPL card holding neighbours. Monsanto, which did not participate last year, said it had sold 12 tonnes of seed in the region.

Evaluation studies done by Anand University and the GIDR over different areas and in different villages show that nearly all those officially certified as poor got their entitlement of seed and fertiliser in the right quantities and in time. The farmers had to wait two or three days at the taluka distribution centres resulting in loss of income, but these are small gripes when compared to the diversion (corruption) generally rampant in welfare programmes.

The studies show that hybrid maize yields had indeed doubled but the savings for farmers had not kept pace. One study said that the profit was 46% of revenue and another recent study said it was 73% (around R4,700 in both cases). Apart from fertiliser, whose cost is globally dictated, high cost of seed was the reason.

Since the government has opened up a virgin market for them, private seed companies must roll out their distribution networks rather than wait for demand to emerge after an end to subsidies. They should be active in creating awareness and dispensing agronomic advice. Above all, they must cut down the price of seed to tempt the farmers with bigger gains. The Maize Research Institute of Anand University must also step up production of seed, instead of whining that private companies are being favoured at

public expense. Its Gujarat Makkai-6 hybrid is said to be as good if not better than Monsanto's, and takes about 25 days less to mature. When rains are erratic, a month shaved is a crop saved. Sadguru Foundation's Jagawat says he got GM-6 seed multiplied through seed villages, and 71,000 farmers brought them last year without subsidies. This year he expects to double the number of users. The GIDR recommends cotton and potatoes as better alternatives—the profit per acre was R16,700 and R8,300, respectively (but cotton takes three months more than maize or potatoes).

High-yielding agriculture is a better way of helping the tribals than schemes like MGNREGA that consign them to eternal digging. But the Leftists will see it as just another pro-big business initiative in the guise of welfare. Incidentally, Monsanto India (which was the principal supplier of seed under Project Sunshine) was kept out by a Gujarat government Cabinet resolution last year, for political reasons. Modi may be pro-business, but is he pro-market?