



BASAI News Updates

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To stop stubble burning, a monetary incentive is key

The prolonged Russia-Ukraine war has caused global food shortages and sent prices spiralling. India reported a stock of 19 million tonnes (MTs) of wheat and 32 MTs of rice. India's stockholding exceeds its prescribed limits by 171% for wheat and 146% for rice. This envious position of India's granaries is a testament to its farmers. Data from the central pool procurements tells us that Punjab contributes more than half of the wheat procured and 20% of all rice procured.

During the kharif season, paddy is sown on over 2.9-3 million hectares in Punjab. The state produces roughly 18.5 MT of paddy crop residue every year. Of this, 49% is managed through *in-situ* (mixing the residue in the soil) and *ex-situ* (used as fuel) methods, and the rest is set ablaze. As Punjab's farmers are legally prohibited from sowing rice before June — because of a water crisis brought about by historical farming practices — the 120-day paddy crop leaves them with little time to prepare for the rabi crop. Consequently, most farmers burn paddy residue (stubble) as a quick and cheap solution. This releases PM 2.5 into the air, which with other



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factors, traps the polluted air in the National Capital Region (NCR). Here, the policy challenge has been to create a feasible alternative.

Recently, the Aam Aadmi Party (AAP)-led governments of Delhi and Punjab proposed a cash incentive of ₹2,500 per acre to paddy farmers in Punjab, to dissuade them from burning stubble. Of this, ₹1,500 was to be contributed by the Centre and ₹500 each by the Punjab and Delhi governments. The Centre rejected the proposal, citing that money had already been released to purchase subsidised machines for *in-situ* management of paddy straw. Subsequently, the Punjab government also said it would drop the idea for the time being. But direct cash transfers to farmers can be a game-changer.

Since 2018-19, a central sector scheme has provided financial support to farmers and farmer organisations that procure crop residue management (CRM) machinery, and establish custom hiring centres (CHCs). CHCs make farm machinery (combine harvesters, tillers, and so on) among other equipment available for rent.

The Union agriculture minister told Parliament earlier this year that, as of July 2022, more than ₹2,440 crore has been released under this scheme for Delhi, Punjab, Hary-

ana, and Uttar Pradesh. Further, more than 200,000 CRM machines have been supplied to CHCs and individual farmers. According to the agriculture ministry, between 2019-20 and 2021-22, the scheme helped manage 14 MTs of stubble cumulatively. However, averaging for these three years, the central sector scheme manages only about 5% of the farm stubble burnt annually. A 2021 report by the Council on Energy, Environment and Water (CEEW) analysed district-wise crop burning vis-à-vis the supply of CRM machines under the scheme, and found little correlation between the two. The study attributes this to three key factors: One, the increase in operational costs of CRM machines by 5-8% due to increased fuel prices (cost); two, the underutilisation of existing CRM machine stock (awareness); and three, the shortage of CRM equipment vis-à-vis the demand (supply gap).

In 2019, too, an Abdul Latif Jameel Poverty Action Lab (J-PAL) study emphasised the need for direct cash incentives. The study, based on the success during the pilot phase, recommended a cash transfer of ₹2,500 per acre. Note that this cash transfer was attempted by Punjab in 2019 but had to be scrapped due to a paucity of funds.

Punjab burnt 3.82 million acres of land in the paddy harvesting season in 2021. For this amount of land to be compensated for avoiding stubble burning, the total disbursement to farmers would be slightly more than ₹950 crore. Thus, an allocation of ₹1,000 crore on the scheme would imply a burden of ₹600 crore to the Centre, and ₹200 crore each on the Punjab and Delhi governments.

Direct cash compensation by states such as Delhi and Punjab is a policy window for cooperative federalism to fight air pollution. A Lancet study concluded that the economic loss to Delhi and Punjab due to air pollution and its health consequences was more than 1% of the Gross Domestic Product (over ₹7,500 crore) of each state. Not creating environmentally sustainable and economically feasible alternatives for them would amount to policy failure. It is, thus, in everyone's interest to stave off stubble burning and cash compensation appears to be the best way for us to do so.

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The views expressed are personal*

At ₹1,650 a quintal, bajra price plunges to lowest this season

Govt to procure 1.6 LMT produce at MSP of ₹2,350/quintal

RAVINDER SAINI
TRIBUNE NEWS SERVICE

REWARI, SEPTEMBER 20

The district witnessed the lowest rate of bajra in the open market this season with some farmers selling their produce at Rs 1,650 per quintal to private buyers in the local mandi yesterday.

Reportedly, a fortnight ago in the beginning of the current season, bajra was sold at the highest price of Rs 2,000 per quintal.

Meanwhile, Deputy Chief Minister Dushyant Chautala, while talking to mediapersons in Jhajjar today, said the state government would procure 1.6 lakh million tonnes (LMT) bajra at the minimum support price (MSP) of Rs 2,350 per quintal for the public distribution system (PDS), while the farmers registered on the 'Meri Pasaal Mera Byora' portal would be given the benefit of the Bhavantar Bharpai Yojana. The procurement of the kharif crops will start from October 1.

Ashok Yadav, president, Beopar Sangh New Grain Market, said the decreasing demand due to the arrival of the produce in the grain markets of surrounding areas was



Labourers unload the bajra produce at grain market in Rewari on Tuesday. TRIBUNE PHOTO

NO PROCUREMENT INSTRUCTIONS YET

“No instructions on bajra procurement have been received from the govt. The local mandi has received 98,000 quintals so far. Currently, bajra is fetching from ₹1,650 to ₹1,820/quintal. Narendra Yadav, MARKET COMMITTEE SECRETARY

the main reason behind the decline in the rates of bajra in Rewari.

“Soaked bajra has also been bought at Rs 1,650 per quintal today, while farmers got the rate of around Rs 1,700 per quintal for the quality produce. The rates are unlikely to go down further,” he added.

Narendra Yadav, secretary, Market Committee, Rewari,

said they had not received any instructions about the procurement of bajra from the government, but 98,000 quintals of arrival had been registered in the local grain market so far. “At present, bajra is fetching between Rs 1,650 and Rs 1,820 per quintal in the open market,” he added.

Meanwhile, the All India Kisan Sabha (AIKS) has

demanded from the state government to procure the entire bajra crop at the MSP saying that the farmers were not getting good rates for their produce in the open market.

“The Bhavantar Bharpai Yojana is nothing except a tactic to abolish the mandi system and to do away with the MSP. Hence, we are prominently raising the issue across the state to protect the farmers,” said Inderjit Singh, AIKS vice-president, adding that resentment prevailed among the farmers against the state government for not initiating the procurement of bajra yet.

Paddy procurement to begin on October 1

CHANDIGARH, SEPTEMBER 20

With the paddy procurement season set to begin on October 1, the state government is targeting a procurement of 184 lakh metric tonnes of paddy this year.

The decision to start the procurement from October 1 was announced by Chief Minister Bhagwant Mann here as he reviewed the arrangements for a hassle-free procurement today. Information available with The Tribune suggests that the state government's request for release of cash credit limit (CCL) of

Rs 43,500 crore from the RBI is also expected to be honoured and the CCL will be released before the procurement begins.

The CM, while presiding over a meeting to see the preparedness of the state for the procurement season, said every grain produced by the farmers would be purchased and warned of strict action, if farmers were put to any inconvenience. Mann assured that enough gunny bag stock was available and 1,804 purchase centres were being set up. — TNS