

# Understanding the Andhra Crop Holiday Movement

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Why would farmers keep their own land fallow as part of a voluntary “crop holiday protest movement” in a part of Andhra Pradesh is a question that has puzzled many. A field visit to the Konaseema region reveals that the dynamics of class contradictions in the area are also responsible for the nature of the movement that goes beyond the issue of remunerative prices.

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The declaration of a voluntary crop holiday by paddy farmers in coastal Andhra in the 2011 kharif season has become a major political issue in Andhra Pradesh (AP). Farmers and leaders from all the mainstream political parties and left parties (excluding the Communist Party of India (Marxist), which has maintained a critical distance, while acknowledging the serious crisis in farming) have been involved in this voluntary crop holiday declaration agitation. It is pertinent to not only understand the puzzling steps taken by the farmers to voluntarily leave their lands fallow but also the larger dynamics of agrarian change and crisis in the region in the context of neo-liberalism.

## Motivation for Crop Holiday

Paddy farmers in Konaseema region (located in the East Godavari district of coastal Andhra) declared a crop holiday in about 90,000 acres voluntarily, particularly in the mandals of Amalapuram, Allavaram, Uppalaguptam, Ainavalli and Ambajipeta. Data from revenue officials also indicated

that in the 2011 kharif season, transplantation did not take place in about 85,761 acres of farmland. About three lakh tonnes of paddy were not produced due to the crop holiday in the Konaseema region.

In 2010, 70% of the kharif crop was damaged due to a cyclone. In the next season (rabi) 2010-11, farmers had a bumper crop (Ramanamurthy 2011). Farmers did not get reasonable prices either from the government or the market. The tenants and small farmers who do not have enough storage space sold it to *shavukars* (moneylenders) at distress prices. The moneylenders either stocked the paddy for better prices in the future or sold it to millers at a better price. However, farmers' resentment grew against the state for it could not procure paddy (due to lack of storage space) at reasonable prices. Also, farmers got agitated that state government did not release water by 15 April (important in the context of ensuring enough time for all the planned crops in the year) and they locked the gates of Ainavalli, Chintalalanka, Mukkamala canals for about four to five days. When government officials visited the Bendamuru village of Uppalaguptam mandal as part of farmers' awareness programmes, farmers locked them up in the panchayat office. The news spread and farmers started questioning the government officials in other mandals as well. All these incidents culminated in the crop holiday movement.

A deeper political economy of agrarian relations in the delta regions of coastal Andhra and the Konaseema region would understand the crop holiday movement better.

### **Agrarian Change in Coastal Andhra**

In the pre-green revolution period after Independence, due to the indirect effects (as opposed to actual land reforms) of tenancy and land-ceiling reforms, there was a decline in absentee landlordism in the region. There was considerable shift of land from the absentee urban resident to the resident landowner. This was coupled with the transformation of feudal agrarian relations (for example, the old zamindari system) into owner-cultivation practices through various peasant struggles. The owner cultivators accelerated the process of capitalist development in the region even as wage labour became “free” in the sense that it came out of the old *watana* systems, attached labour practices and kind-wage payments (Parthasarathy 2002).

Once the green revolution had commenced, this new capitalist class utilised the new technologies of high-yielding inputs, tube well technologies, tractors and so forth to maximise the rates of return on its investments. The other important development was that tenancy showed a rapid decline during all those decades. By the 1980s, only one in eight cultivators was a recorded tenant as opposed to a ratio of one in five earlier. The earlier tenants had joined the ranks of agricultural workers. Combined with a high demographic pressure on marginal landholdings, there was a major increase in the agricultural labouring population (*ibid*).

In the post-1980s period, a dramatic transformation occurred in the delta regions of coastal Andhra. The class of capitalist farmers generated huge surpluses that were channelled into aquaculture, large coconut farms, rice milling, petty investments (for example in cinema halls, hotels and restaurants) in towns – what were called by K Balagopal as provincial propertied classes. Later, there was a shift of capital into Hyderabad in various “new economy” enterprises – for example, in the information technology and pharmaceuticals sectors. There is also significant investment in education (engineering and medical colleges) and health (corporate hospitals).

However, with increased speculation in real estate, with an added impetus due to the proposed Special Economic Zone activity in the coastal corridor, there is virtually no attempt by this class to sell off their lands in villages. The price of agricultural land has risen tremendously over the last 15 years, with price going up to more than 10-20 times. This has created a rebirth of absentee landlordism and tenancy. At the same time, decline of public investment in agriculture under the impact of neo-liberal policies, inadequacy of institutional credit, and the reduction in private investment (due to lack of incentives for absentee landlords) have meant that the present tenants are taking on high levels of risk.

### **Konaseema Region**

In the Konaseema region, Rajus and Kapus are the upper castes, Settibalijas constitute the middle castes, and dalits (mainly Malas) constitute the lower castes. Rajus and Kapus constitute the landlords and rich farmer classes in the region.<sup>1</sup> They also constitute the interlinked moneylender-merchant-input agent class that manages all kinds of agricultural transactions related to commissions, inputs, credit, marketing of agricultural produce and so forth. They are also the owners of cinema halls, local rice mills, hospitals and engineering colleges. Settibalijas and Malas largely belong to the small farmer, tenant and agricultural labouring communities in the region. Some nursing colleges and vocational colleges are owned by a small Mala elite, and quite a few government officials (mandal revenue officers, mandal development officers, teachers, etc) hail from the same community. While Rajus and Kapus get remittances from us and other countries, Malas get remittances from the Gulf countries. The marketing hub for paddy is Mandapeta (35 kms from Amalapuram), where about 250 rice mills are owned by Reddys and Kammas who have migrated into this region, and some local Vysyas.

The absentee landlordism phenomenon is quite widespread in this region. Tenants constitute about 75% of the farmers and agreements made between them and landowners are mostly oral. Therefore, it is the absentee landowners who are entitled to institutional credit and any other form of support that the state provides. For instance,

it has been the practice of the landowners in the last few decades to take bank loans at lower interest rates (7%) and give it to tenants at higher interest rates (24-36%). In fact, many of the landowners advance investment and buy the harvest (crop collateral) at a low price and sell it at a higher price. The tenants pay fixed rent in kind to the landowners, thereby taking all the risk inherent in production. Moreover, tenants, who are the actual producers, do not get any share in compensation in case of crop loss. There have been instances when cheques issued in the name of the tenants were cancelled by the landlords and reissued in their own names. This indicates a strong nexus between the landlords and government officials and social control over the tenants.

The land rent has also been increasing steadily. In the year 2010-11, land rent varied between Rs 18,000 and Rs 25,000 per acre while an acre of land on an average cost about Rs 8-20 lakh in this region. Paddy is the main crop in both kharif and rabi seasons along with coconuts and banana plantations. The third crop grown was essentially pulses (green gram-*pesalu*), maize and fodder crops. During the kharif season, the yield of paddy was normally 25-30 bags per acre, while in the rabi season, the yield was around 35-40 bags per acre. The paddy variety grown here is predominantly, MTU-1010 – an inferior quality because of higher moisture in the soil in the region, and a short-term (3-3.5 months) crop. This variety of paddy is not consumed by the rich and middle peasants in the region. It is procured by the government for the purpose of the public distribution system. Millers procure and sell it in Tamil Nadu and Kerala, where it is used in par-boiled rice, and idli rice.

In the Konaseema region, moneylenders advance investment for the crop to the tenants. After thorough assessment of the crop needs, they make direct payments to the input and seed dealers and the required material is delivered to the tenants. As part of the informal agreement, tenants will have to invariably sell the crop produced to the same shavukars, suggest an interlinking of the product, credit and the input markets. It is this class that extracts a significant chunk of the value of the produce from the cultivators.

In AP (unlike Punjab), the procurement of paddy is largely done through the millers. This is quite evident when one looks at the grains procured in 2009-10, wherein 62.28 lakh tonnes of grains were procured by the millers, and government agencies procured only two lakh tonnes. The government market yards do not have enough storage facilities for farmers to stock their produce. When millers procure paddy from the farmers, they tend to depress the prices in the name of quality. Most of the tenant farmers try to sell in the fields immediately after the harvest, in order to cope with pressures from moneylenders/landowners, who advance loans for crop production. Millers procure lakhs of tonnes of paddy and evade the levy to the government by paying bribes to officials.

### Why Crop Holiday Now?

The crop holiday movement was initiated by Bharatiya Kisan Sangh (BKS), a farmers' organisation affiliated to the Hindutva organisation, the Rashtriya Swayamsevak Sangh. Its social and political base has largely been the rich and middle farmers. The movement got wide publicity through one of the television channels – Sakshi, which is owned by the breakaway Congress faction, the YSR Congress' leader Y S Jaganmohan Reddy. It is also the case that a large number of dalits and Settibalijas have moved their support to the YSR Congress from the Congress. After Chiranjeevi's Praja Rajyam Party (dominated by the Kapus) merged with the Congress in 2011, the Telugu Desam Party also took great interest in this movement in order to consolidate its own Kapu farmers' base in the region. Different political parties are involved in the movement to gain political mileage.

Four explanations can be offered for the crop holiday movement. The first one is derived from the movement itself. The latter three are not visible on the surface but can be understood by looking at the class contradictions in the region.

The costs of agricultural labour and other inputs are much higher than the support price that is being offered in the region. The leaders of the crop holiday movement argue that they incurred a production cost of Rs 20,400 per acre in the rabi season of 2010-11. Out of this, a large amount was spent on labour (Rs 14,000) while the rest

was spent on procuring seeds (Rs 660), pesticides (Rs 1,500), fertilisers (Rs 2,000), tractors (Rs 1,200), threshing (Rs 800), and water cess (Rs 250). Once we add the rental costs, in the year 2011 the estimated cost of production comes to Rs 1,800 per quintal while the support price has been fixed at Rs 1,080 even though the Andhra Pradesh government had recommended a remunerative price of Rs 2,070 for paddy in 2011. There is disagreement between the farmers and workers about the actual costs incurred, especially on labour (range between Rs 7,000 and Rs 14,000 per acre), but on the whole, the argument that paddy cultivation was not remunerative in 2011 is persuasive. In fact in the last five-six years, the costs of production data indicate that support prices have increasingly lagged behind the costs.<sup>2</sup> In this sense, the demand for higher minimum support prices is legitimate.

Second, the state government recently proposed to give identity cards for the tenants so that they become entitled to crop loans from banks. This process has already started and a small proportion of tenants have been given these cards. However, landowning classes have been apprehensive that tenants may claim ownership rights eventually because of this. Also, the tenants could possibly get free from their dependence on landowners for credit, labour, and marketing of the crop. The crop holiday movement allows the landowners to reassert control over tenants.

Third, normally the daily wage rates for men and women are Rs 150 and Rs 100 in this region respectively. When there is high seasonal demand, daily wages tend to go up to about Rs 250 for men and Rs 150 for women. The introduction of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is said to have increased these wage rates, and one of the explicit demands of the movement was to either scrap the MGNREGS or to include agricultural work as part of the scheme. Since the state has directly or indirectly been associated with the second and third contradictions, the movement is also directed against the state.

Fourth, even with the crop holiday, the landowners and moneylender-merchants have stocked paddy reserves that could not be sold in the month of April-May 2011, because of low prices (hovering around Rs 600 per 75 kg bag). These classes will

benefit now as the paddy prices have doubled by the month of October 2011. In a normal year, for the two seasons – kharif and rabi – put together, tenant farmers paid a fixed rent of 25 bags of paddy per acre to the landowners. Now with the crop holiday in the kharif season, the tenant farmers will have to pay about 20 bags of paddy for rabi crop alone. This essentially means that it is the tenants who lose out due to the crop holiday. If crop holiday is observed in the rabi season, then both tenants and landed classes will get hit.

Revenue and bank officials have been insisting that the tenants will have to invariably get guarantees from the landowners in their respective villages to avail bank loans. Our discussion with the tenants in Tandavapalli village in Allur mandal, revealed that none of the landowners would provide guarantees – hence the identity cards issued by the state government served little purpose. In any case, the absentee landlords feel that their social and economic control over the tenants would weaken if tenant status is officially recognised, and therefore the crop holiday is a way to reassert their control over tenants. Another strand of evidence from the field is that in some cases where small farmers went ahead with the transplantation, particularly in Allavaram and Uppalaguntam mandals, the landowning class forcibly destroyed the crop, thus forcing them to participate in the movement.

The agricultural wage labourer associations in this region argue that the landowning classes in the crop holiday movement have been deliberately projecting Rs 300 daily wages for all labourers as though it is paid uniformly for men and women, and for all the workdays in a year. The association said that the workdays per acre do not exceed 60 days in a year in this region because of increased reliance on agricultural machinery. Out of 60 workdays, it is women who are largely engaged for about 40 days because of lower wages, while men get only 20 days. In fact, prior to the implementation of the MGNREGS scheme, daily wage rates used to be between Rs 60 and Rs 75. After MGNREGS, wage rates have stabilised between Rs 100 and Rs 150. What this implies is that the bargaining power of the wage labourers has increased after the introduction of MGNREGS. This is what the landowners resent.

In reality, the agricultural workers face an inadequate demand for their labour power. The wage rates under MGNREGS are in fact lower than those specified under the minimum wage act and labourers are able to get no more than 35 workdays in Konaseema out of the promised 100 workdays. In addition, they face competition in agricultural work from migrants who come from Bengal and Orissa. As a result, workers from Konaseema migrate to other regions in the districts of West Godavari, Krishna, Guntur, and sometimes even to Hyderabad. They work in paddy fields, tobacco farms and brick kilns, etc. In pockets of Konaseema, such as Antarvedi, a large proportion of women belonging to Mala community migrate to Gulf countries to work as domestic labour (maids) and other low-end service occupations.

### Way Forward

From our field visit, we feel that there are both the issue of remunerative prices as

well as deeper class contradictions at work in the crop holiday movement. We see that the crop holiday movement is essentially an attempt by the landowning classes and market intermediaries to discipline workers, tenants and the welfare state (whatever is left of it). Of course, the state has to improve its procurement mechanisms (support prices, storage capacity) of paddy so that the dependence of actual cultivators on market intermediaries and landlords is reduced. Tenants need to be given access to institutional credit. They need better protection, while they should be able to directly access various other state support packages meant for actual cultivators (including crop insurance).

However, there are important structural changes that need emphasis. First, the re-appearance of widespread tenancy raises the old question of why the actual tillers (mostly dalit tenants) do not own land. The state should seriously revisit the question of land (and tenancy) reforms in this newly

emerged context. The other important issue is that millers benefit significantly from paddy procurement. They get a huge margin for the marginal value addition that they make. In the medium run, why cannot paddy cultivators form their own milling cooperatives? This will help them own the value that they are creating, and in this process improve their livelihoods.

### NOTES

- 1 In the Coastal Andhra and Rayalaseema regions of AP, the upper castes have been holding on to land but in Telangana region landownership has moved to OBC communities in a more pronounced fashion.
- 2 The cost of production in 2004-05 for paddy was Rs 578 per quintal while the support price was Rs 560. The loss of Rs 18 has risen to Rs 700 by 2010-11.

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