

## The dull days of White Gold

Across India, cotton growers make up the largest group of the over 180,000 farmers who committed suicide between 1997 and 2008. There's nothing like an election to spur policy change, though, notes P Sainath.

**April 2009** - They called it White Gold. In 1972, you could buy 15 grams of gold with what you earned from producing one quintal of cotton. In Vidarbha, for instance, you made Rs.340 for that quintal (long staple). And gold went at Rs.220 for 10 grams (Rs.330 for 15). True, the cotton growers were even then subsidising rich textile barons in Mumbai. They still do - a lot more, in fact. But 'back then' seems a lot better right now, relatively speaking.

By the 1990s, that trend had been reversed. From the 1970s to mid-1985, cotton was, as Vijay Jawandia calls it, "the poor man's cloth." Man-made fabric was all the rage. By the end of the 1980s, however, a growing bias towards natural fibre saw cotton emerge as the rich man's cloth. All the big brand names were cashing in on cotton. Yet, cotton farmers in the poorer nations were doing worse. Corporations and traders were doing better. By the mid to late 1990s, obscene subsidies to cotton growers from the United States and the European Union were already pulling the prices downwards.

By 2005, you needed to sell five quintals of cotton to buy 15 grams of gold. By early 2008, gold was at Rs.12,125 for 10 grams, cotton at Rs. 2000 a quintal. You now needed to sell nine quintals of cotton to buy 15 grams of gold. The living standards of farmers in cotton-growing regions like Vidarbha had fallen sharply. Cotton prices and incomes were crashing, debt and cultivation costs soaring. The 2004 Lok Sabha polls saw a wave of farmer anger - and the BSP's rise - bludgeon the Congress. The BJP-Shiv Sena alliance won 10 of the then 11 seats in Vidarbha.

But in the Maharashtra Assembly polls just months later, the Congress did better. It took 30 of the 66 seats from the region. True, Sonia Gandhi's visit had a huge impact in this traditionally pro-Congress cotton belt. Turning down prime ministership further enhanced the respect she enjoyed there. But the Congress campaign captured voters with a single promise. It would raise the cotton prices - then Rs.2200 a quintal - to Rs.2700. That promise was to be betrayed just months after the polls - with terrible consequences.

In Maharashtra, cotton never received the support that sugarcane did. It was grown in poor regions by dryland farmers with far less political clout than the Pawars of western Maharashtra. As India embraced neo-liberal globalism, that clout waned further. On the one hand, cotton-growers were locked into the volatility of global prices. On the other, input costs were exploding. Local seed cost around Rs.9 a kilogram in 1991. By 2004, commercial seed had taken over and could cost as much as Rs.1,650 to Rs.1,800 for just 450 grams, thanks to Monsanto's Bt cotton. State intervention later brought the price down to half that. But the damage had been done. And even today's price of Rs.650-850 for less than half a kg is still many times higher than Rs.9 a kg. In Maharashtra, the State actively promoted the costly Bt seed, its own agency being a distributor. Huge sums also went to promoting it by using film stars as "brand ambassadors."

Other inputs, fertilizer, pesticide, utilities like water and electricity, all saw a big rise in costs from the mid to late 1990s. Cotton covers about 5 per cent of cultivable area in India, but accounts for 55 per cent of all pesticides used. (That is in itself a huge problem with alarming long-term consequences for agriculture, environment and health as a whole.) With the massive spread of these, it is no surprise that most farmers taking their lives swallowed chemical pesticides to do so. They are so easy to access, perhaps far more so in this sector.

Successive Indian governments did nothing to stop the dumping of subsidised U.S. cotton in this country. There are no duties on import of cotton today. India is the second biggest producer of what is one of the world's most widely traded commodities. Yet between 1997-98 and 2004-05, we imported 115 lakh bales. That is, over three times the number we did in the preceding 25 years. This cheap imported cotton further devastated growers here. At the same time, like millions of other small farmers, they found bank loans harder and harder to access as rural credit shrank - by policy. Credit was increasingly diverted towards urban-metro consumption. Many farmers turned to moneylenders, ending up mired in debt.

While poor cotton farmers never developed much political and electoral clout, traders and textile barons did. Even if the barons were to pay a slightly better price - say an additional Rs.2 per metre of raw material went to the farmer - it would make a difference. It never happened.

By 2005, cotton prices collapsed. That's when the Maharashtra government withdrew the Rs.500 per quintal "advance bonus" normally tagged on to the minimum support price (MSP) in the State. This saw the price plunging to Rs.1,700 a quintal. (Gold was at Rs.6,180 for ten grams.) Suicides in Vidarbha, already rising, shot up massively.

By September 2006, farmers in that region were killing themselves at the rate of one every six hours on average. The Vilasrao Deshmukh government had withdrawn the advance bonus in 2005 despite appeals from cotton growers, the National Commission for Farmers and many others. The next year, Vidarbha, indeed all of Maharashtra, recorded its worst rise in farm suicides ever. If the Deshmukh government could get away with that, it was because cotton had no strong lobby. Its electoral clout was feeble.

Across India, cotton growers make up the largest group of the over 180,000 farmers who committed suicide between 1997 and 2007. The cumulative impact of all these processes was crushing farmers locked into this model of production and into neo-liberal economics. In Vidarbha, for the first time ever, farmers grew more soybean than cotton as losses on the latter were killing them, literally.

There's nothing like an election to spur policy change, though. In the run-up year to the polls, the Union government came through with its Rs.71,000 crore loan waiver for indebted farmers. In Maharashtra, the lion's share of that waiver's benefits went to just seven of the State's 35 districts, none of them in the poor cotton-growing regions of Vidarbha and Marathwada. Most of them within the power base of Union Agriculture Minister Sharad Pawar. And all this was about bank debt. Moneylender debt was not touched. Still, there was some relief.

The main loan waiver excluded those owning more than five acres. This penalised some of the poorest farmers. In unirrigated regions, even poor farmers tend to own more acres as productivity is so low. The government did respond to demands that dryland cultivators not be penalised for having more than five acres. After all, polls were now months away.



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The write-off that followed of Rs.20,000 for such farmers did help a significant group of growers in Vidarbha. And there was also some money that trickled down from even the awfully flawed packages.

Then came a healthy rise in cotton prices. The shifting of huge swathes of land in the U.S. to bio-fuel production pushed up prices last year. And a nearly 50 per cent rise in the MSP for cotton took the price to Rs.3,000 per quintal. In Vidarbha, it meant that about seven months of 2008 were the best period the region had seen in years. No basic problem had been resolved, but it brought some relief and reduced the stifling pressure. A pity it took so many deaths - and election year - for that to happen.

The rise in MSP to Rs.3,000 was also an admission of how disastrous the Deshmukh government's torpedoing the price to Rs.1700 a quintal had been. And the removal of that Chief Minister also won the region's approval.

To what extent this helps the Congress in these Lok Sabha polls is hard to gauge. There is the BSP factor that is very real and could mess up all bets. (It played a big role in 2004, too. In four seats, the BSP polled far more votes than the margin of defeat of Congress-NCP candidates.) But the Congress faces less hostility than it did three years ago. Whether it can play that to its advantage is another question. And the long-term future of White Gold here is an even bigger one.

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