

# LIMITS OF DIRECT INCOME SUPPORT

## THE CASE OF TENANT FARMERS

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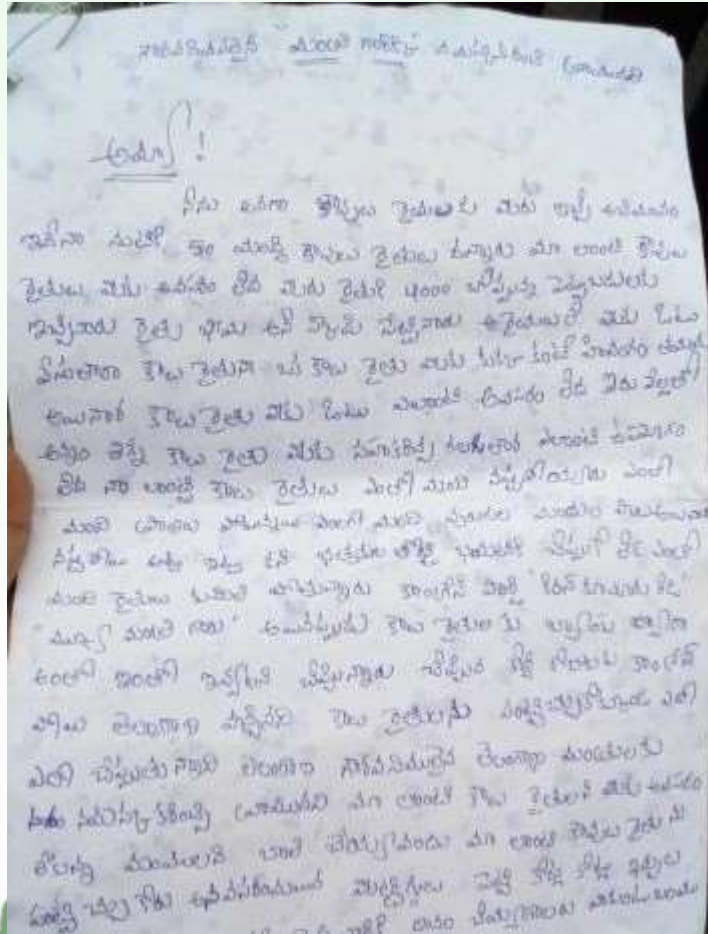
# Direct Income Support: On the Rise

- Rythu Bandhu (Telangana: Rs.10,000 per acre)
- KALIA (Odisha: Rs.10,000-12,500 per household)
- PM-Kisan (All-India: Rs.6,000 per household)
- Rythu Bharosa (A.P.: Rs.13,500 per household)
- MMKAY (Jharkhand: Rs.5,000 per acre)
- West Bengal and Haryana also in the works
- **+ Plans for converting subsidies into DBT**





# Sept. 21, 2018: Tenant farmer commits suicide opp. Gandhi Bhavan, Hyderabad



- D. Venkateswarlu from Kusumanchi, Khammam dist.
- **Letter to CM KCR:**

*“About 50% of the farmers in the state are tenant farmers. You are paying Rs 4,000 and giving insurance to the rest, but it seems that you don’t have any benefits for tenant farmers. We are shown less respect than dogs.”*





## **Panduga Kanakamma w/o Panduga Chandrayya**

- Chunchunukota village, Siddipet dist, Telangana
- Chandrayya's suicide in 2015
- Own land: ½ acre
- Leased land: 5-6 acres
- Lost 2 crops due to drought
- No bank loans despite repeated visits
- Private loan: Rs.1,85,000



# Story of Pottipalli village, Sangareddy dist.

THE HINDU

TELANGANA

Tenant farmers in a ₹1.4-crore debt trap





POTTIPALLY (SANGAREDDY DT.), MAY 02, 2018 23:45 IST  
UPDATED: MAY 03, 2018 07:44 IST

#### **Pink bollworm attack on cotton crop, reduced yield leave them with nil returns**

Chakrala Shekhar of Pottipally village located in Sadashivapet mandal is one among the several farmers who cultivated cotton in about 10 acres by taking land on lease from landlords. The lease amount varied from ₹8,000 to ₹15,000 per acre per annum and it has to be paid in advance.

"We have about 1,200 acres in the village out of which between 150 acres and 200 acres is not cultivated. Of this about 600 acres was cultivated by tenant farmers and mostly the lease amount is ₹15,000 per acre," said Shekhar.

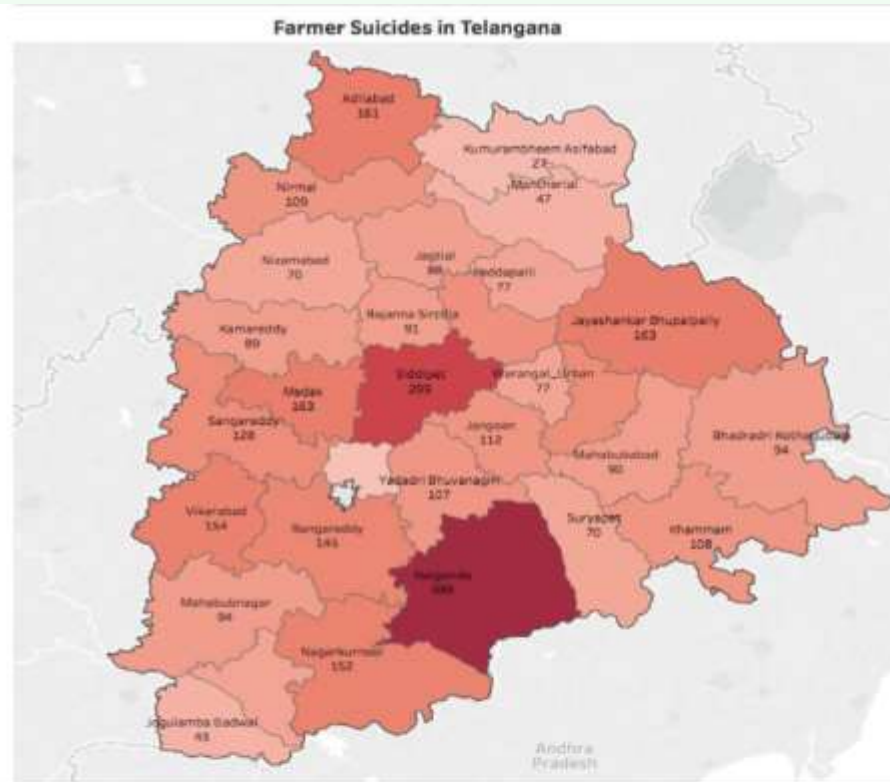
## **Pottipalli village, Sangareddy dist, Telangana**

- 1420 acres of cultivable land; owned by 435 pattadars
- 300 farming households
- 125 tenant farmers leased in 625 acres of land, i.e. 44% of the total cultivable land!
- They spent ~ Rs.2.4 crores growing cotton, which was damaged by bollworm attack
- Lost Rs.1.4 crores, out of which Rs.90 lakhs was rent



# Study on Farmer Suicides, Tenant farmers and Rythu Bandhu

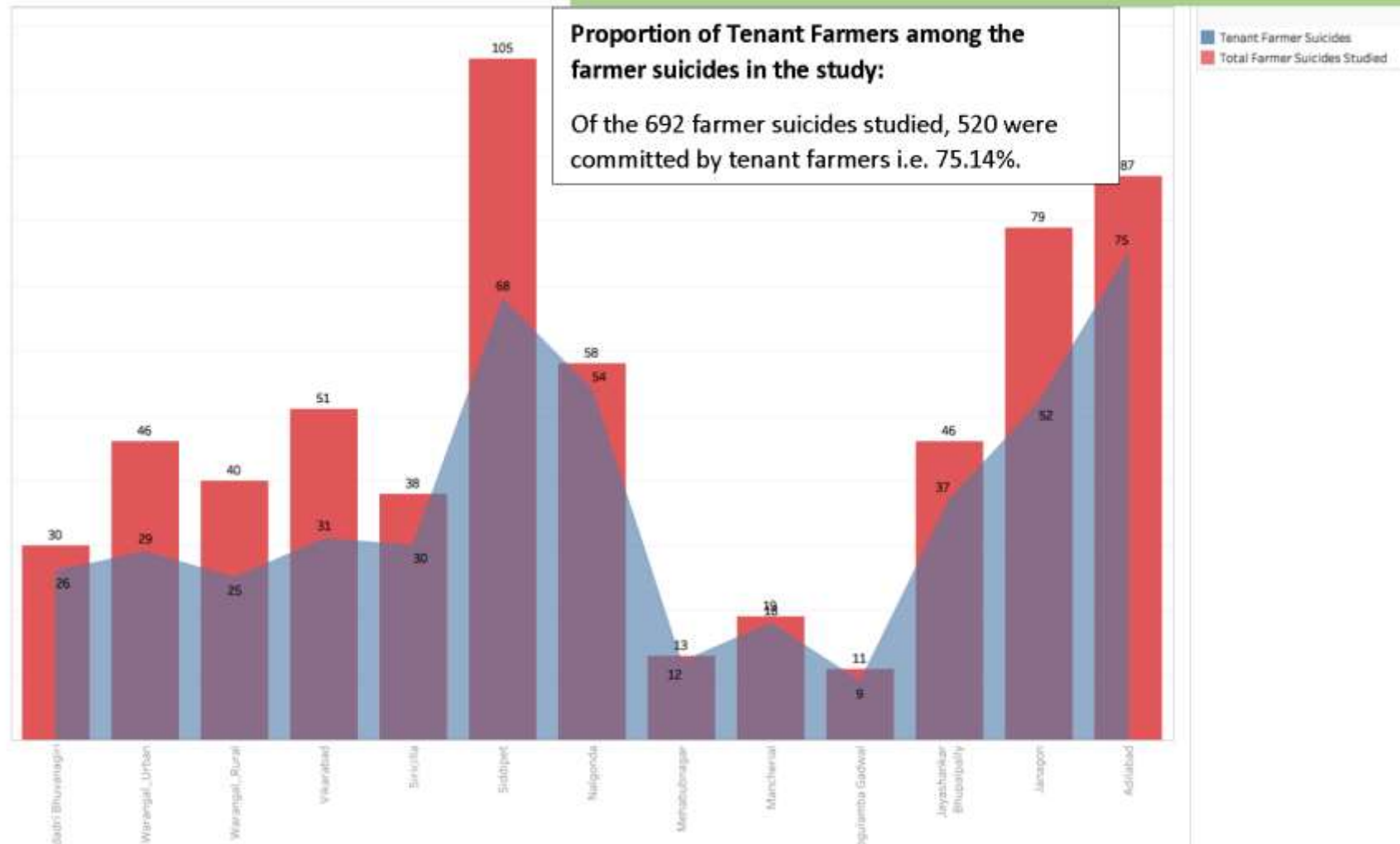
A study report by  
Rythu Swarajya Vedika and  
students of Tata Institute  
of Social Sciences



Farmer Suicides, Land Ownership, Tenant Farmers & Rythu Bandhu



# 75.1% of Farmer Suicides by Tenant Farmers (520 out of 692 suicides during 2014-2018)



# Percentage of Leased-in Land – State-wise

State	% of Leased in Land		
		Manipur	7.58
		Meghalaya	4.13
Andhra Pradesh	33.75	Mizoram	1.60
Assam	4.21	Nagaland	1.08
Bihar	21.04	Orissa	16.61
Chhattisgarh	9.45	Punjab	24.62
Gujarat	5.63	Rajasthan	7.76
Haryana	14.90	Sikkim	18.21
Himachal Pradesh	5.20	Tamil Nadu	13.87
Jammu & Kashmir	0.15	Telangana	13.56
Jharkhand	1.90	Tripura	4.75
Karnataka	6.71	Uttaranchal	4.08
Kerala	8.55	Uttar Pradesh	7.56
Madhya Pradesh	5.05	West Bengal	14.25
Maharashtra	3.40	All India	10.10

Source: NSS KI (70/18.1): Key Indicators of Land and Livestock Holdings in India



# Extent of Land-lease under-estimated

- Telangana: At least 25% of land, and 30% of holdings
- A.P.: More than 50% of land leased in, and 72% of holdings are fully or partly leased holdings and as per A.P. govt's Radhakrishna committee report
- U.P.: CSD study (2013) showed 34.7% land area is leased-in, and in terms of holdings, 28.2% fully leased-in and 43.82% partly leased-in holdings
- Punjab: About 40% of area being operated under lease



# Non-inclusion of Actual Cultivators: Injustice and Loot of Public Finance

- Telangana govt spending Rs.15,000 crores on Rythu Bandhu. 25% goes to non-cultivating owners, 40% to large land-owners
- PM-Kisan scheme expanded to include large farmers but not landless tenants or agricultural workers
- Tens of thousands of crores spent by govt. every year on Interest Subvention, Crop Insurance and Disaster compensation; Significant part going to non-cultivators; Loan Waivers further exacerbate this picture
- Interests of land-owners getting more entrenched to prevent registration of actual cultivators



# U.P.: CSD Study based on survey (T.Haque)

District	% of Households			% of Land Area
	Fully Leased	Partly leased	Total	
Chitrakoot	28.6%	70.1%	98.7%	98.3%
Fatehpur	19.6%	20.7%	40.2%	38.1%
JP Nagar	39.0%	61.0%	100%	100%
Lalitpur	0.0%	98.9%	98.9%	98.0%
Mau	51.4%	0.0%	51.4%	29.3%
Muzaffarnagar	22.9%	26.5%	49.4%	44.0%
Sonbhadra	47.8%	0.0%	47.8%	40.8%
Unnao	24.7%	56.2%	80.8%	71.6%
<b>Total</b>	<b>28.2%</b>	<b>43.8%</b>	<b>72.1%</b>	<b>59.3%</b>



# Approaches to inclusion of tenant farmers

- Recording tenancy/sharecropping in Revenue records
- Land Licensed Cultivators Act (2011) in A.P./Telangana
- Crop Cultivator Rights Act (2019) – new in A.P.
- Self-declaration & Verification: KALIA in Odisha and FRUITS in Karnataka
- Collective land leasing under Panchayat: Kudumbashree
- Model Land Leasing law proposed by NITI Ayog



# Land Licensed Cultivators Act, A.P.

- This Act was brought in 2011 in A.P. Now in force in Telangana.
- Government to issue Loan Eligibility Cards (LEC) to “Lessee farmers”
- Responsibility on government to run a process of identifying cultivators
- Starting from February every year, tenant farmers can fill in a form and register themselves as leasing a particular piece of land.
- Written agreement or approval of land owner not required up front.
- Responsibility of Revenue officials to verify through Gram Sabha
- Once it is verified, Revenue dept to issue LEC cards by May 15<sup>th</sup>.
- List of LEC card holders to be communicated to banks & agriculture dept
- LEC holders are *eligible* for crop loans, insurance and all support systems **but it is not mandatory on the part of banks and government**



# LECs and Loans Issued in A.P.

Date:11.01.2017.

Sl. No	District	Target	No. of LECs issued			No. of Licensed Cultivators Sanctioned Crop Loans (LEC)	
			Renewal of old LECs	Fresh	Total	Total	
						Number	Amount
1	Srikakulam	28867	9683	7656	17339	298	0.93
2	Vizianagaram	24807	11104	2869	13973	577	2.96
3	Visakhapatnam	15000	10039	2856	12895	825	1.65
4	East Godavari	178241	104367	33555	137922	45926	101.35
5	West Godavari	300117	222716	75420	298136	17841	41.48
6	Krishna	131870	11623	6363	17986	1757	6.70
7	Guntur	160000	5663	15853	21516	1046	6.49
8	Prakasam	24231	2311	0	2311	828	5.08
9	Nellore	61003	8676	8950	17626	850	5.03
10	Kurnool	84923	7910	11588	19498	784	4.95
11	Anantapur	45000	7657	21726	29383	815	4.15
12	Kadapa	13350	3907	4363	8270	547	1.84
13	Chittoor	32000	3772	90	3862	0	0.00
	<b>Total</b>	<b>1099409</b>	<b>409428</b>	<b>191289</b>	<b>600717</b>	<b>72094</b>	<b>182.61</b>

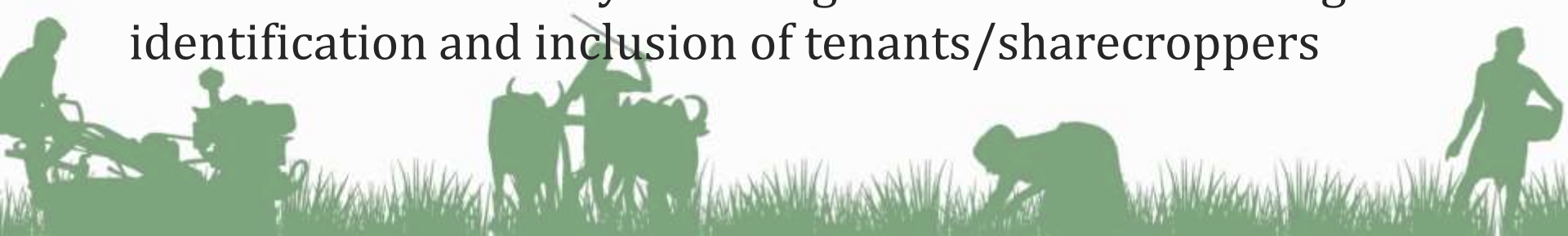


# Model Land Leasing Act, NITI Ayog

- NITI Ayog brought a model Land Leasing Act in 2016, and is encouraging states to adopt it.
- Focus on overcoming the “dangers” of earlier Tenancy Acts
- Recommends repealing existing Tenancy acts
- Requires Agreement between Lessor and Lessee; Agreement can be registered under Act, providing recognition for Lessee

## **Serious limitations:**

- No actionable rights to Lessees; Many protections to Owners
- No consequences if Owners refuse to register agreement
- Does not mandate any role for government in ensuring identification and inclusion of tenants/sharecroppers



# Crop Cultivators Rights Card: new Act in A.P.

- Requires 'agreement form' with land-owner signature
- Limits lease period to 11 months
- Mandates role for Village Secretariats to facilitate and ensure signature of land-owners
- In force from October 2, 2019

## Poor Performance in 1<sup>st</sup> Year

- Under old Act: **7.1 lakh LEC cards**; New Act: **2.7 lakh CCRC**
- Only 51,000 landless cultivators included in Rythu Bharosa out of 3 lakh promised by government



# What should be done?

- Identification & inclusion of Actual cultivators (Tenants/ Share croppers) should be made highest priority at State and Centre
- Legal mechanism on the lines of Land Licensed Cultivators Act (AP-2011) with improvements should be brought in; This means Model Land-leasing Act should be modified.
- National Register of Cultivators should be immediately initiated and mandated for access to Central schemes
- This should be a pre-requisite to introduction of DBT and Direct Income Transfer schemes. Otherwise, future inclusion of actual cultivators becomes even more intractable due to entrenched interests of land-owners.



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