

Trivandrum
14th October 2007

To,
Shri Manmohan Singh
Honourable Prime Minister
Government of India,
New Delhi
Fax: 91-11-23019545 / 91-11-23016857

Protect the Interest of Kerala Farmers at the WTO Negotiations

Dear Sir,

1. We understand that the Government of India under your honourable leadership has yet again begun discussions on the WTO negotiations, and this renewed interest, triggered by some insignificant shifts in the US and EU positions on subsidies is seen by us in Kerala with fear and concern.
2. On 12th September 2007, you had assured the farmers' delegation led by Ch. Mahender Singh Tikait that suitable steps will be taken to check the deepening agrarian crisis in our country. You also said that the interest of farmers will be safeguarded at all cost during the current negotiations on agriculture at the WTO. Repeatedly, to many such delegations even from Kerala, responsible ministers in your cabinet have been promising that the negotiations will not compromise the interest of the farmers of Kerala. But going by the steps taken by your government these past months, it seems that you are keen to go ahead with an agreement that will go against the interest of our farmers.
3. At this point, we wish to remind you that Kerala and its farmers are the worst affected in the WTO induced changes, such as the removal of Quantitative Restrictions, in 2001. A recent study by the Kerala State Government's WTO Cell has found that *"the State... does not stand to gain even if the Doha Round of negotiations is completed"*. It recommended that *"India should not commit itself to any end date for further reduction in bound tariffs from their current levels, as it does not stand to*

benefit the farmers of the country". This report has been submitted to the Commerce Ministry a few months back.

4. The last decade, starting 1995, have shown how declined agri-exports, increased imports, high volatility of domestic prices has eventual led to the one of the largest tragedies of the country - farmer suicides. Kerala witnessed more than 1500 such tragedies in farmer families, and farmers in atleast 4 districts continue to suffer the consequences.
5. The best means to protect Indian agriculture is through Quantitative Restrictions (QR) which were removed in 2001, inspite of opposition from farmers organizations and experts. This opened up our markets to cheap imports exposing farmers to price volatility. India has also indicated its agreement to the Swiss formula for tariff cuts, which will drastically reduce our flexibility to increase tariffs when faced with a flood of cheap imports. In such a situation, Special Products (SP) can help protect a minimum number of tariff lines from steep tariff cuts, while Special Safeguard Mechanisms (SSM) can be employed to counter price and volume surges. However, going by the changed stance of India at the current negotiations on SP and SSM, it is apparent that the government has buckled down to pressure of the USA and EU.
6. As per available studies, of the 680 tariff lines that come under the ambit of the WTO's Agreement on Agriculture (AoA), about 57 percent need to be protected to safeguard the interest of Indian farmers. However, your government agreed to the G33 proposal for 20 percent tariff lines to be designated as SPs. This in itself was a climb-down. It is now becoming apparent from negotiations in Geneva that India is willing to further dilute its stand on both SPs and SSMs. We would like to make it absolutely clear that the farmers of India will not accept a deal which offers anything less than 57 percent tariff lines to be designated as SPs. We also demand that the method and criteria being adopted for developing indicators of SPs be made public and farmers' movements consulted before the government carries out any negotiation on these indicators at the WTO.

7. On SSMs, the present system of three-years and five-years moving averages is time consuming and by the time protective measures are put in place, Indian farmers would be wiped out. It is therefore imperative that India insists on a one-year time period for identifying price and volume surges to apply SSMs. We also demand stricter criteria for Special Safeguards (SSG), which are routinely employed by the developed countries to block imports from India.
8. We hope that you will revert to us on the stand of your government and actions being taken by you on the above demands. We are sure that you will agree that instead of a bad deal that fails to protect the interest of Indian farmers, it would be better to keep agriculture out of WTO negotiations.

Thanking you

Yours truly

Usha S, Thanal, Trivandrum

Mukkundan, President, Kissan Jyothi, Wayanad

Pandiyode Prabhakaran, National Farmers Protection Council, Palakkad

V V Purushan, PMVS, Ernakulam

Copy to

Smt Sonia Gandhi, President, Indian National Congress (FAX : 91-11-23017047)

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Sri Vayalar Ravi, Minister of Overseas Indian Affairs

Sri M P Veerendrakumar, Member of Parliament