In this chapter, we look at India's agricultural policy in retrospect for the period 1956-70. The period divides itself into two clear-cut parts: (i) 1956-65, which is a period of PL 480 imports and consumer oriented price policy; and (ii) 1965-1970 which period covers the establishment of the Agricultural Prices Commission, decreasing share of PL 480 imports in the country's food supply and ultimately, elimination of these imports and the beginning of the green revolution. The discussion on the latter period has been at places extended to cover 1970s in case of some crops because for regression analysis, time series data upto 1978-79 was fed into the computer and results obtained whereever pertinent to the discussion in hand have been included.

With the beginning of the Second Five year plan, a new chapter opened in the post-independence history of agriculture and agricultural price policy of India. Three factors emerged simultaneously. First, there was the new strategy of development which laid heavy emphasis on industrialisation as the key factor in economic development. Second, there was a succession of two bad crops years in 1955/56 and 1956/57 that made
the government jittery once again about the situation; and third, which perhaps is the most important in the present context, there was the offer of supply of grains from U.S.A. from its accumulated agricultural surpluses on highly attractive, concessional terms under that country's Public Law (PL) 480. When America came forward with its offer of food assistance, the Government of India was found only to be too × too × to accept it. This marked the beginning of India's foodgrain price policy based on imports which continued almost for a decade till U.S.A. served the notice on this country of its intention to stop giving concessional supplies so that India was forced to face the truth that it should have in 1956 viz. the solution of the country's food problem and food security lay in growing its own needed supplies of food in its own fields. Various Commissions set up by the Government of India in the preceding two decades had repeatedly emphasized the need for acquiring national self-sufficiency in foodgrains. They had differed on the desirability of imports in the interval as a means to moderate prices - some commissions had favoured it while others had opposed it. But on one point all of them had agreed: that the road to achievement of national self-sufficiency in food lay in the farmer getting remunerative price for his produce as a means for stepping up food production. The policy of importing foodgrains in large quantities to feed the consumers, however, had gone against this tenet. The situation created by America's refusal to continue making available concessional supplies of foodgrains forced policy
action on the government of immediate stepping up of
country's own production of foodgrains and therefore adopting
a positive price policy. Meanwhile, on the basis of Jha
Committee report, decision had been taken to set up a perma-
nent body to advise the government on foodgrain price fixa-
tion on a year to year basis. Such a body came into existene

This marked the beginning of the next period which
culminated in making the country self sufficient in food
supply and free from the need for food imports. This was a
period when the conscious efforts made by the state authorities
to promote agricultural production together with ensuring
remunerative prices to farmers, yielded results and India
achieved a state of durable self-sufficiency in foodgrains.

Let us now turn to a detailed review of the agri-
cultural price policy over the period under study. We begin
with the first of the subperiods in which the review is
proposed to be done.

P.L.480 and Price Policy

India signed the first PL 480 agreement in 1956. For
the next ten years, PL 480 imports dominated the foodgrain
supply and prices scene in the country. The purpose of
imports was explicitly stated to be keeping down prices of
foodgrains during the period when the country engaged itself
in industrialization through heavy investments in building
up the industrial base. It was assumed, and there was some justification for the view, that large investments in development of heavy and mother-machine manufacturing industries which have long gestation period, would generate incomes and increase demand for foodgrains in an economy where due to poverty, a large section of population for long had remained under fed. This would exercise pressure on food prices and generate inflationary pressures in the economy as a whole. At the same time it was assumed, and for this there was little justification that Indian agriculture would not be able to respond to the new challenge and that unless the expected demand-supply gap was bridged through arranging imports on a long term basis, country would be caught up in an inflationary crisis. It is not therefore the actual shortage at the time but an anticipation of emergence of shortage to foodgrains that provided immediate rationale for India entering into PL 480 agreement in 1956.

The first agreement was signed for food imports under the PL 480 programme on the 29th August, 1956. This agreement was to shape the destiny of India's agricultural economy for better or worse for the next decade and a half. It was the precursor of nine further agreements and 35 supplements which were signed till 1st April, 1971, when finally the PL 480 imports were discontinued. Of the total imports during this period, 77% comprised of grains and grain products. The percentage share in the total imports of foodgrains under PL 480 programme was the highest for wheat at 66. After foodgrains, cotton was the next highest item accounting for 97 percent of the total imports under the head. Rice and vegetable oils had percentage shares of 4.7 and
2.6 respectively and maize and sorghum together accounted for 5.8%. Though PL 480 was not the only source of foodgrain imports, it was certainly the largest one. While other countries, mainly Canada and Australia, supplied some grain too, 80% of the total imports of wheat into the country during this period was made from the U.S.A. under the PL 480 assistance programme. The percentage share of PL 480 imports in the total imports of wheat in the country reached a maximum of 95 in 1963. It came down to 63% in 1967; but this decline was not due to a fall in the total imports of wheat as the case might appear to be; it was because the imports from other countries had gone up relatively. During the entire period of PL 480 imports, i.e. from 1957 to 1971, the total net imports of wheat amounted to 63.41 million tonnes. The enormity of the amount becomes all the more striking when viewed in the context of total domestic marketable surplus of wheat produced in the country. This latter was 63.34 million tonnes.* Thus the total net imports of wheat in the country during the period under study were slightly more than what came into the market for sale from the domestic production. During the years 1965/66 and 1966/67, which witnessed a severe drought in parts of the country, the net imports of wheat were double the net domestic marketable surplus, being 14.23 million tonnes while marketable surplus was 7.1 million tonnes. Similarly, the figure of the per capita availability of cereals in India was 14.0 oz. in 1961 comprising of 13.2 oz from domestic production and 0.8 oz from imports. In 1965,

* Calculated at an average of 37% of net annual domestic production.
per capita availability had gone up to 14.5 oz., but the contribution of domestic production had come down from 13.2 oz. to 13.0 oz. and that of imports had almost doubled, from 0.8 oz. to 1.5 oz. in five years. The share of imports in total cereals supplies (gross production plus imports) had increased from 2.4% in 1955/56 to 4.7% in 1960/61 and 14.2% in 1965/66, after which it declined to 6.4% in 1967/68 and 4.0% in 1969/70. The total imports and value of imports during the period under study can be seen in the following table:
### Table: VI:1

**Quantity and value of cereals Imported into the Country (1955-72)**

**Quantity : '000 tonnes**

**Value : Rs. crore**

<table>
<thead>
<tr>
<th>Year</th>
<th>Rice</th>
<th>Wheat</th>
<th>Total Cereals*</th>
<th>C &amp; F Value***</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>265</td>
<td>435</td>
<td>711</td>
<td>33.11</td>
</tr>
<tr>
<td>1956</td>
<td>325</td>
<td>1095</td>
<td>1443</td>
<td>56.34</td>
</tr>
<tr>
<td>1957</td>
<td>748</td>
<td>2898</td>
<td>3346</td>
<td>162.39</td>
</tr>
<tr>
<td>1958</td>
<td>397</td>
<td>2716</td>
<td>3224</td>
<td>120.51</td>
</tr>
<tr>
<td>1959</td>
<td>295</td>
<td>3553</td>
<td>3868</td>
<td>141.41</td>
</tr>
<tr>
<td>1960</td>
<td>699</td>
<td>4366</td>
<td>5137</td>
<td>192.84</td>
</tr>
<tr>
<td>1961</td>
<td>384</td>
<td>3092</td>
<td>3495</td>
<td>129.56</td>
</tr>
<tr>
<td>1962</td>
<td>390</td>
<td>3250</td>
<td>3640</td>
<td>141.09</td>
</tr>
<tr>
<td>1963</td>
<td>483</td>
<td>4073</td>
<td>4556</td>
<td>183.60</td>
</tr>
<tr>
<td>1964</td>
<td>645</td>
<td>5621</td>
<td>6266</td>
<td>266.25</td>
</tr>
<tr>
<td>1965</td>
<td>783</td>
<td>6583</td>
<td>7462</td>
<td>290.32</td>
</tr>
<tr>
<td>1966</td>
<td>787</td>
<td>778448**</td>
<td>10358</td>
<td>523.13</td>
</tr>
<tr>
<td>1967</td>
<td>453</td>
<td>6348+52**</td>
<td>8672</td>
<td>513.16</td>
</tr>
<tr>
<td>1968</td>
<td>446</td>
<td>4766</td>
<td>5694</td>
<td>361.20</td>
</tr>
<tr>
<td>1969</td>
<td>487</td>
<td>3090</td>
<td>3872</td>
<td>353.01</td>
</tr>
<tr>
<td>1970</td>
<td>206</td>
<td>3425</td>
<td>3631</td>
<td>207.55</td>
</tr>
<tr>
<td>1971</td>
<td>240</td>
<td>1814</td>
<td>2054</td>
<td>123.46</td>
</tr>
<tr>
<td>1972</td>
<td>131</td>
<td>314</td>
<td>445</td>
<td>24.29</td>
</tr>
</tbody>
</table>

**Source:** Fertiliser Statistics; Fertiliser Association of India; New Delhi; 1983. pp.II:60.

**Note:**

* - Besides rice and wheat, it includes wheat flour, maize and milo (sorghum)

** - Wheat flour

*** - C&F value is for total cereals.
Thus substantial imports of foodgrains under the PL 480 programme form an important part of the government of India's price policy regarding foodgrains during the earlier part of the period under study, i.e. from 1956 to 1966. Although this period, India supplemented her domestic production by ever increasing imports of foodgrains. This contrived augmentation of food supplies did not allow the prices of foodgrains to rise. The period 1956-66 was marked by low cereal prices and adverse terms of trade for agriculture in general and foodgrains in particular. It can be seen from Table VI:2 that terms of trade went against agriculture and foodgrains during this period.

Table - VI:2

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio of prices of agricultural produce and of non-agricultural commodities</th>
<th>Ratio of price of foodgrains and non-agricultural commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955/56</td>
<td>91.4</td>
<td>76.2</td>
</tr>
<tr>
<td>1956/57</td>
<td>98.6</td>
<td>76.2</td>
</tr>
<tr>
<td>1957/58</td>
<td>98.3</td>
<td>88.2</td>
</tr>
<tr>
<td>1958/59</td>
<td>101.8</td>
<td>89.3</td>
</tr>
<tr>
<td>1959/60</td>
<td>99.1</td>
<td>95.0</td>
</tr>
<tr>
<td>1960/61</td>
<td>98.4</td>
<td>86.9</td>
</tr>
<tr>
<td>1961/62</td>
<td>96.6</td>
<td>81.3</td>
</tr>
<tr>
<td>1962/63</td>
<td>93.5</td>
<td>79.0</td>
</tr>
<tr>
<td>1963/64</td>
<td>94.9</td>
<td>80.0</td>
</tr>
<tr>
<td>1964/65</td>
<td>103.9</td>
<td>83.8</td>
</tr>
</tbody>
</table>

Thus, while the terms of trade were in favour of non-agricultural goods, as compared to all agricultural commodities, foodgrains were worse hit than the total group of agricultural commodities. Though agricultural commodity prices as a whole did remain near the parity point with those of the non-agricultural goods prices, and even crossed the parity point twice during the ten year period, foodgrain prices trailed far behind the parity point. And while foodgrain prices rose by 39%, and cereal and pulses prices by 37 and 50 percent respectively, wheat prices increased by 25% only between 1956 and 1966. Between 1956 and 1957, rice prices had gone up by 11.3% while wheat price increased by 4.7% only. Not only that. The gap between wheat and rice prices increased from Rs.12.10 per quintal in July 1956 to Rs.16.12 per quintal in July 1957. Wheat prices dropped continuously from July 1958 onwards. In July 1962, they fell below the July 1956 level at Rs.39.59 per quintal (in July 1956, the price had been Rs.39.81 per quintal) and in July 1963 still further to Rs.39.39 per quintal. The gap between the rice and wheat prices had widened to Rs.27.38 per quintal and wheat prices fell even below Jowar price for the second time. The first time this had happened was in 1950/51* when there had been massive imports from the US under

* In 1951, US had given India assistance for the first time in the shape of $190 million loan to help tide over the food crisis caused by widespread failure of crops. With this money, India was to purchase 2 million tonnes of foodgrains from the US.
the wheat loan system. The same thing recurred when wheat was again imported in large quantities from America. The wheat imports had risen from 7.5% of the year's marketable surplus in 1954 to 15% in 1955 and 30% in 1956. After that, they suddenly shot up to 93% of the year's domestic marketable surplus in 1957, and more than the domestic marketable surplus in 1958 though the quantity imported in 1958 remained almost the same as in 1957. In 1959, the total imports of wheat were more than the 1951 peak even and also exceeded the domestic marketable surplus. In 1960, a new peak in wheat imports was reached with 4.4 million tonnes imports which was over 130% of the domestic marketable surplus of the year. In 1961/62 and 1963/64, they were about 3 million tonnes and 4 million tonnes respectively. In 1966, they reached a peak of 7.8 million tonnes having been 175, 165 and 231% of the domestic marketable surplus in 1964, 1965 and 1966 respectively. In the peak year 1966, imports had raised the total food grain supply (domestic marketable surplus plus net imports) to about three and a half times the market surplus from domestic production. It may be noted that 1964-66 was a crisis period when domestic production of foodgrains fell from 89 million tonnes peak in 1964/65 to 72 million tonnes in 1965/66 and 74 million tonnes in 1966/67. Near famine conditions prevailed in Bihar and Orissa and it is because of heavy imports that starvation deaths and extreme distress were avoided.
The wholesale price of wheat consequently had falling. It fell from Rs.45.33 per quintal in 1958 to Rs.44.30 in 1959, Rs.42.94 in 1960, Rs.40.98 in 1961, and Rs.39.59 in 1963.

During the same period, general price index had risen by 30.9%. Thus the two taken together, i.e., the rising general price level and the falling wheat prices, the gap between the two becomes all the more glaring. It was clearly an effect of the repression of prices by the government through imports of massive amounts of PL 480 wheat and disposing them off at artificially low rates. The large inflow of wheat prevented any rise in wheat prices that would have occurred due to the additional demand created by developmental expenditure, and, inspite of the presence of inflationary pressures in the economy, wheat prices remained low. Not only was the average price of wheat kept low through the augmentation of supplies of wheat through imports, but even the seasonal rises in its price, which had been a usual phenomenon till then, were prevented due to government's distribution arrangements of supplying to the consumer the grains at the prescribed low price throughout the year. This served as a disincentive to the wheat producer of the country. Hopper was right when he observed: "This mutual desire to move grain halfway round the world had calamitous long term consequences; it held the prices down to the Indian cultivator which sapped incentives to produce .... The price effect was noticeable in wheat".¹ Mann tried to quantify this

¹. David W. Hopper: Coromandel lecture, delivered at Vishakapatnam, Andhra Pradesh, on January 5, 1976.
disincentive effect in his paper written as early as 1967. He admitted that his analysis supported "the belief that this import of cereals under PL 480 lowers the price of cereals and leads to a decline in supply of cereals from domestic production".† Shenoy put the thing in a nutshell: "With P.L.480 continuing to glut the market, wheat farmers lost interest in growing sufficient wheat to feed Indian people. The American farmer had taken over the task from them".‡

The empirical analysis of the effects of PL 480 imports carried out in this study establishes conclusively that the contrived increase in supply of wheat had a negative impact on the acreage and output of wheat in all states studied here. The coefficients of PL 480 imports variable for acreage allocation and output turned out to be negative in all states and significant in most of the cases (Table - VI:3).


‡2. Shenoy, B.R. : P.L.480 Aid and India's Food Problem; Affiliated East-West Press Private Limited, New Delhi; 1974; pp.34.
### Table VI: 3

**Estimated Parameters of P.L. 480 Imports for Wheat**

<table>
<thead>
<tr>
<th>State</th>
<th>Acreage Elasticities of Relative Profitability</th>
<th>Output Elasticities of Relative Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihar</td>
<td>-0.19* -0.53* -0.21** -0.32* -0.73* -0.33*</td>
<td></td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>-0.03 -0.04 -0.05 -0.10 -0.24 -0.09</td>
<td></td>
</tr>
<tr>
<td>Punjab</td>
<td>-0.05* -0.12* -0.04 -0.15* -0.33* -0.11*</td>
<td></td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>-0.03 -0.08** -0.02 -0.11*** -0.28*** -0.02</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Asterisk marks denote level of statistical significance * = 2% and above, ** = 5%, *** = 10%

It is clear from the above table that in all the major wheat growing states of India, acreage under wheat and output of wheat were depressed as a result of the massive food imports from USA. Acreage and output of wheat might have increased and food problems solved much earlier if the prices of wheat had not been kept down by state action. As it was, the acreage as well as output under the crop did not increase still late sixties when due to a combination of natural calamities, market forces and change in government policy, market prices shot up, inducing the farmer to change over to this crop.
The impact of this aspect of government's food policy seems to have been greatest in the state of Bihar where the coefficient of this variable is high and significant whatever the price formulation taken into consideration for regressions, namely relative profitability, relative price vis-a-vis competing crops, or own price of the crop. That might explain the sudden increase in area under wheat in Bihar in 1967/68 compared to previous years. The area under wheat in that year was 1054 thousand hectares while in 1966/67, it had been 831 thousand hectares i.e. an increase of more than 2 lakh hectares (or 27%) in just one year. It had previously taken twelve years for the area under wheat in Bihar to increase by that amount; it had increased from 594 thousand hectares in 1955/56 to 831 thousand hectares in 1966/67. The area under wheat has been increasing steadily since then, gaining another 3.5 lakh hectares in the next five years and yet another 5 lakh hectares in another five years.

In Uttar Pradesh, similarly, the impact of PL 480 imports is quite pronounced. The area under wheat in this state jumped up from 41.14 lakh hectares in 1965/66 to 44.29 lakh hectares in 1966/67, 49.10, 52.39, 53.78 and 58.53 lakh hectares in 1967/68, 1968/69, 1969/70 and 1970/71 respectively. This shows a 42.5% increase in the area under wheat cultivation in Uttar Pradesh in 1970/71 over 1965/66. It had been almost constant around 40 lakh hectares in the period 1955/56 to 1965/66.
In the state of Punjab, it had increased from 15.48 lakh hectares in 1965/66 to 16.08 lakh hectares in 1966/67, 18.04 lakh hectares in 1968/69, and 22 lakh hectares in 1970/71. The increase in area between 1965/66 and 1970/71 comes to 42%.

In Madhya Pradesh, the area under wheat actually fell from 33.23 lakh hectares in 1963/64 to 22.08 lakh hectares in 1966/67. After that it picked up and had gone back to 33.28 lakh hectares in 1970/71.

For the country as a whole also the area under wheat shows a similar trend. It remained between 11.7 and 13.5 million hectares between 1955/56 and 1966/67. In 1967/68, it went up for the first time to 15 million hectares and then to 16 million hectares in 1968/69, 16.6 million hectares in 1969/70 and 18.24 million hectares in 1970/71. Next year it increased by another 1 million hectares. The acreage under wheat in the country as a whole in 1970/71 was 35% more than the highest achieved during the PL 480 period. Even within the first year after reduction in imports i.e. in 1966/67 it had increased by 11% over the highest during 1955/56 to 1965/66.

Between 1966/67 and 1970/71, while wheat was gaining ground, literally, area under competing crops was going down. Area under gram in Uttar Pradesh went down from 26.27 lakh hectares in 1964/65 to 19.89 lakh hectares in 1971/72 and 16.41 lakh hectares in 1978/79. In Bihar
similarly the area under sugarcane declined from 1.7 lakh hectares in 1965/66 to 1.17 lakh hectares in 1967/68 i.e. by 31%. It increased thereafter, possibly because statutory minimum sugarcane price too was raised that year. In Punjab, the area under gram dropped from 6.34 lakh hectares in 1966/67 to 3.17 lakh hectares in 1968/69. By 19 9, it had fallen to 2.36 lakh hectares while the acreage under wheat had gone up to 27.36 lakh hectares. Only in the state of Madhya Pradesh did it remain almost constant at around 15 to 16 lakh hectares.

Thus, throughout the PL 480 era, the wheat acreage and output suffered wherever it was possible for cultivators to substitute other crops for this low priced crop. These findings fit well with those of some earlier studies on the subject. Seevers* has estimated that the domestic market price of the imported grain would be 6.7% higher and output 1.7% more in the absence of Title 1 shipments assuming (a) the imports were in addition to normal commercial imports, (b) the demand curve remained unchanged and (c) the aid made up 5% of the domestic supply and was sold at or near market prices. Mann* found that a one pound increase in PL 480


*2. See Appendix D for the terms and conditions of Title I shipments of P.L.480 aid.

cereal imports per capita would lead to a 0.54 percentage points fall in wholesale cereal price index in the same year and a 0.5 pound per capita drop in output of the cereal in the next year. He goes on further to show multiplier effect of the increase in imports on cereal prices and supplies in successive years up to a period of 14 years. Mellor has observed that if all concessionary foodgrain imports were discontinued, Indian foodgrain prices would probably have been of the order of 15% higher than they actually were during the 1950-66 period. Kahlon and Johl have estimated that every change in market arrivals of 1000 maunds leads to an inverse change of Rs. 0.1219 per maund in the price of wheat. Rogers, Srivastava and Heady have estimated that PL 480 imports of each kilogram per capita of cereals depressed production of cereals by 0.027841 kilogram, so, for each 4,50480 metric tonnes of

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* This computation has a standard error of ±0.0236 per maund.
imports\(^1\), production was depressed by 12,600 tonnes over a 14 year period. Though this is much less than the negative impact of 1,43,200 metric tonnes estimated by Mann, the difference between the two is over the quantitative and not over the qualitative impact of the PL 480 imports on domestic production. Rath and Patwardhan\(^2\) also conclude that the prices of cereals were depressed as a result of concessional imports. They rose by 4% while the general price level of all commodities increased by 18%. The depressive effect of PL 480 imports on domestic production is thus underscored by all these studies though some researchers have gone further and pointed out that full depressive effect did not manifest itself because low prices helped to increase consumption which counterbalanced the depressive effect which would have been there if consumption level had remained constant.

The regression results arrived at in the present study, as already seen, have established the depressive effect of the imports on wheat production in all the states. The statistics of area under wheat in India as a whole also

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\(^1\) The authors arrived at this figure by taking a mean population of India during 1956-67, and employing a delay impact multiplier whereby the output decreased by 14,445 metric tonnes in two years, increased by 2,204 metric tonnes four years later and fell by 336 tonnes six years later. To work out the net impact on supply, they then used the cumulated multiplier over several years.

\(^2\) Rath, Nilkanth and Patwardhan, V.S.: Impact of Assistance under PL 480 on Indian Economy; Gokhale Institute Studies No. 48; Asia Publishing House, Bombay; 1967.
show the depressive effect. Total area had gone up from 9.5 million hectares in 1951/52 to 13.5 million hectares i.e. about 43% in five years till 1956/57. With the arrival of the fresh shipment of PL 480 wheat it was reduced by nearly 1.8 million hectares to 11.7 million hectares in 1957/58. Inspite of some increase later on, the area under wheat was only 13.6 million hectares in 1962/63. And it again declined to 12.57 million hectares in 1965/66. After this, it increased at a sharp rate to become 49.1% more in 1971/72 over 1966/67 (12.8 to 19.14 million hectares).

The area under cotton, another import item under PL 480 went down from 8.09 million hectares in 1955/56 to 7.96 million hectares in 1965/66. The average annual growth rate of cereals production between 1955/56 and 1965/66 comes to 0.6% while that of non-foodgrain agricultural produce works out at 1.89% per annum. With the exclusion of cotton from non-foodgrain agricultural commodities the rate of growth of the latter works out at almost 3%.

Another indication of the reaction of farmers to the fall in prices of foodgrains during the period is given by the fall in the total irrigated area under foodgrains. It went down from 80.23% in 1954/55 - 1955/56 to 77.97% in 1967/68 - 1968/69 and this loss was gain for non-foodcrops. "The Indian farmer found himself price jockeyed into raising non-foodgrain crops".*

As seen above, once the PL 480 shipments were reduced to an almost negligible amount in 1967/68, the index of area under wheat rose steadily to a new peak every year. This increase is attributed by many economists to the new technology made available at that time. But with the negative elasticities we have noted above, it is doubtful whether the farmers would have been prepared to invest in new and expensive technology inputs, if, on the one hand the prices had not been released from their restraining barrier and allowed to rise through the reduction of PL 480 imports, and on the other the government's agricultural policy under the compulsion of circumstances had not changed. With the release of wheat farm prices from repression by the concessional imports, wheat cultivation had become so profitable that not only were farmers bringing in more area under wheat cultivation, they were also employing new technology which might have been beyond their reach with the repressed prices of wheat prevailing till then. The fact that the amount of wheat required to buy a kilogram of various fertilisers also proves that wheat prices were becoming more remunerative for the cultivator so as to enable him to use the new technology. As a result the area under HYV wheat increased from 0.54 million hectares in 1966/67 to 6.48 million hectares in 1970/71 or from 4.2% to 35.5% of total area under the crop.

The number of farm implements being used also increased at this time. The number of tractors being used by Indian
farmers went up by 47.6% from 21,005 in 1956 to 31,015 in 1961 and again by 74% to 54,012 in 1966. The increase in 1972 over 1966 comes to 174.5%, the total number of tractors in use being 4,44,192 in India as a whole. In Punjab, the increase in the number of tractors was 241.5% between 1966-72, and in Haryana, 321%.

Was it really just a coincidence, as many economists tend to believe, that only wheat, the crop whose price had been repressed artificially till then, experienced a spurt in the production and, that it was the use of new technology that was in fact responsible for the revolutionary increase in wheat area and output? If this was really so, why was the same degree of progress not achieved in other crops as well? The answer is obvious. It was no coincidence that only wheat experienced a sudden spurt in area, production and yield and that too at a particular point of time exactly coincident with the reduction in PL 480 imports, neither before nor later. There can be no doubt that PL 480 imports had been exercising a deleterious effect on wheat production in India. Surjit Sidhu and Carlos Baanante have shown

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*2. All India Livestock Census, op cit.

effectively how a 10% increase in prices of wheat is many times more effective than a 10% cut in input prices in increasing the wheat output. They have worked out the percentage effect of this increase on use of labour, fertiliser, and irrigation, wheat output, and returns to land, capital and education. They found that while a 10% reduction in fertilizer and irrigation prices each led to a total effect of 2.69% (1.61% from fertiliser and 1.08% from irrigation) on each of these, a 10% increase in prices of wheat would lead to a 17.10% increase in all the factors mentioned above, namely, use of inputs like fertilisers, irrigation and labour, returns to land, capital and education and wheat output. The increase in weighted All India wheat prices (farm harvest) between 1962/63 and 1966/67 was 147% while that in rice during the same period was 87%. Could this not explain the sudden spurt in area and output of wheat as against any of the other crops? Even though the green revolution has been attributed by most agriculturists to the new seeds, fertilisers and technology becoming available at that particular point of time, the fact remains that it occurred immediately after a rise in prices of wheat had been brought out by market forces on the one hand and a change in Government's price policy on the other. As Sidhu concludes, it was the positive price policy of the Government in the mid-sixties that stabilized the prices and encouraged farmers to adopt new wheat production technology, specially at that time.*1

Herman similarly was convinced that "If there had been no food price crisis in 1963/64 (sic) there would still have been the problem of too little food".*1

The rise in prices of wheat had been the combined effect of (a) reduction in PL 480 imports, (b) a severe drought experienced in two consecutive years, 1965/66 and 1966/67, and, (c) a change in government's policy regarding wheat prices, allowing them to rise. C.Subramaniam, on becoming the Food Minister had taken two vital decisions that changed the course of India's agricultural history: (a) he had inducted the new technology into wheat cultivation, and (b) he had asked for, and got, a 15% rise in foodgrains prices in 1966/67. Meanwhile, in 1965, on the recommendation of Jha Committee, Agricultural Prices Commission had been set up. Commenting on that development, Akbar writes: "The Agricultural Prices Commission was formed and continues to fix a support price every year. Droughts keep coming, but India no longer goes to Washington to beg for food. .... The curve of India's fortune had now turned upwards. The challenge was being met."*2 Going on, he quotes Cassen to describe this achievement, who in turn has quoted

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* Actually the crisis came in 1965-67, when food production fell sharply. Compared to that, 1962/63 cannot be called crisis period.
the famous historian Ibn Khaldun "famines are not the result of the land's incapacity to cope with the increasing demand, but of the political chaos and physical oppression which invade the state in its decline". 

The Government of India had limited its foodgrain price policy making to the import and public distribution of foodgrains at low prices to protect the consumer and by doing so had harmed not only the interests of the producers but also the long term interest of the country as a whole. This remained true for almost a decade. No well coordinated food price policy evolved during this period. Procurement of foodgrains in the country was nominal and so the producers did not get much support from the government. Agricultural progress of the country was held up during the ten fateful years of massive PL 480 imports.

It was only after 1965, that an integrated food and agricultural policy emerged, and the government made a conscious effort at attaining the objectives of higher production levels, stabilization of relative prices and protecting the consumption levels of the low income groups by undertaking retail distribution of foodgrains in the public sector. Even so, the agricultural price policy remained deficient. The two sets of prices that came to be announced on a regular

*1. Ibid. pp.169.
basis did not assist much in attaining these objectives. The minimum support prices did not become operative as the market prices usually ruled higher than the announced price, and the procurement price usually remained much below the open market price. The increase in production that did occur was certainly due to cessation (or reduction to such an extent that it amounted to virtual cessation) of imports. Had we continued our cheap-grain, import-based policy inspite of what our economists and our commissions (e.g. Venkatappaiah committee and Jha committee, both of which recommended the abandoning of import based, consumer biased policy) repeatedly told us, we might still be going to Washington with a bowl to get two square meals a day for our people.

Thus, though the country did not go whole hog towards adopting a positive price policy towards agriculture, still with the change in policy that occurred, India entered a new era in its agricultural history where agricultural growth was not held up due to negative price policy. The Agricultural Prices Commission was set up to look after the price structure in general and the interest of the producer in particular, which it did, albeit hesitantly. Even though PL 480 imports were still restraining wheat prices to some extent, the rising trend in prices brought about by certain factors like drought etc. had now become so strong that it more than counterbalanced the downward pull of concessional imports. Had imports been discontinued totally, the rise in prices might have been much greater than it actually was and production might have grown faster.
Rice

The influences working on rice were different. Here, the concessional imports were small and insignificant in quantities.\(^1\) Even commercial imports were not resorted to on any large scale because of the difficulty of finding foreign exchange for it. In regulating market prices of rice, flow of supplies from abroad did not play any significant role. Here, however, it was the domestic price policy which was responsible for keeping down rice production in the areas where there was a promising growth potential available.

Raj Krishna and Raychaudhuri\(^2\) have effectively shown how the procurement prices in the southern rice growing states have always been below even the cost of production during the fifties and sixties. The same was the case in West Bengal. It has been lower by 25 to 50\% in all the three-year periods in the 1950s and 1960s for which the cost data are available. The rice procurement prices in some of the states have been lower than the cost of production. They have been below the farm harvest prices in all the states. According to Louis F. Herrman, the largest single cause of

\(^1\) Rice imports were only 1.3\% of domestic rice production, being on an average 4.7 lakh tonnes which are quite small as compared to the annual average of 4.3 million tonnes of wheat imports.

rice price fluctuations in India since 1956 has been the system of rice zones. About 15% of the total price variations were attributed to zones.*1 Talking of support prices, he said: "Rice price were more punitive than incentive. They were the basis for compulsory procurement and were below the market prices most of the time. Even after being revised upwards Rs.1 or 2 a maund in March 1964, they remained about 25 to 30% below market prices. As guaranteed minimum prices, these prices are unlikely to enhance cultivator's confidence about future prices".*2

The case for rice, therefore had been only slightly better than wheat excepting that PL 480 assistance did not directly have any adverse effect on them. If the green revolution did not spread to paddy growing areas, especially in the states of eastern India, it was partly the result of the new high yielding varieties not having been found so suitable in Indian climate. But a part of the explanation may also lie in the fact that paddy prices were not allowed to become so attractive as to make the farmer use costly fertilisers in appropriate quantities and take risks in paddy cultivation or even expand area under cultivation of rice. The main breakthrough in rice production was achieved only in the

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*2. Ibid. pp.73.
mid-seventies when such strains of rice as IR-8 etc. were introduced on a commercial scale, and were supported by a remunerative price support policy".*

The prices of paddy for procurement had been almost constant during 1967/68 to 1972/73. A sharp increase in these prices in 1973/74 and again in 1977/78 gave a big push to rice cultivation. The area under rice cultivation in Uttar Pradesh had fluctuated between 41 lakh and 45 lakh hectares during the period 1959-1975, excepting 1971/72 when it touched the 47 lakh mark. By 1978/79, it had increased to 51 lakh hectares.

In Andhra Pradesh, it had usually remained below 34 lakh hectares till 1973/74. In 1974/75, it rose to 35, and in 1976 to 39 lakh hectares. Though the increase in area under rice in Madhya Pradesh was not as impressive, it did rise from 43 lakh hectares in 1970/71 to 45.8 lakh hectares in 1972/73 and finally to 48 lakh hectares in 1978/79.

The policy followed before 1965, therefore, was a negative one from the point of view of agricultural growth and the long-run interests of both consumers and producers. It focussed on ensuring a steady flow of foodgrains to the urban consumer at 'reasonable' prices by supplementing the domestic production with imports, and distributing the supplies from retail outlets at prices below the open market rates. "The consumers generally assured a minimum supply

while an assured income to producers remained as illusive promise.¹ This in general, constituted the agricultural price policy of Government of India. This policy went against the consumer interest in the long run as did the policy of price control and fixing of a ceiling price to be charged by the trader. The APC agreed with the view that any attempt at fixing the maximum prices on the part of the government to help consumers only helps to worsen the situation for them, as "whenever a determined effort is made to enforce maximum prices, more and more private stocks go underground and flow through illicit channels ... thus (it) only worsen the situation for them (consumers) in respect of both the volumes of available supplies as well as the prices they really have to pay".² Throughout the period of controls over price and distribution of available supplies, the Indian consumer was subjected to live with shortages for the simple reason that controls prevented supply response from the producers to catch up with the demand. In case of foodgrains, the situation was specially bad. That the price policy followed till then had not even been consistent with our planning is clear from the fact that the plan targets were hardly ever achieved. Excepting for the Second Plan period, rice output targets had not been realized till the


Fourth Plan end. The target figures for grain separately for period of plan holiday, or what has now come to be called Annual Plans period, not being available, it is difficult to say anything about that period. The wheat output figures also have a sad tale to tell. The targets were realized in the First Plan. After that, upto Fourth Plan period, the output always fell short of targets. The same story is repeated for foodgrains as a whole. After the PL 480 agreement was signed in 1956, the food production target in the Second Plan was only just achieved. It was never achieved after that during any of the other two five year plans, nor in the periods of the Annual Plans. A glance at following table will show how badly we failed to achieve our targets of foodgrains production during the early years of Planning:
### Table VII:4

**Targets and Achievements of Foodgrains Production under the Plans**

*(Production: Million Tonnes)*

<table>
<thead>
<tr>
<th>Period</th>
<th>Rice</th>
<th>Wheat</th>
<th>Total Foodgrains</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ist Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 1955/56</td>
<td>27.7</td>
<td>8.4</td>
<td>62.6</td>
</tr>
<tr>
<td>Achievement 1955/56</td>
<td>27.6</td>
<td>8.8</td>
<td>66.9</td>
</tr>
<tr>
<td><strong>IIInd Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 1960/61</td>
<td>32.5</td>
<td>11.7</td>
<td>81.8</td>
</tr>
<tr>
<td>Achievement 1960/61</td>
<td>34.6</td>
<td>11.0</td>
<td>82.0</td>
</tr>
<tr>
<td><strong>IIIrd Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 1965/66</td>
<td>45.7</td>
<td>15.2</td>
<td>101.0</td>
</tr>
<tr>
<td>Achievement 1965/66**</td>
<td>30.6</td>
<td>10.4</td>
<td>72.3</td>
</tr>
<tr>
<td>Achievement 1964/65**</td>
<td>39.3</td>
<td>12.3</td>
<td>89.4</td>
</tr>
<tr>
<td><strong>Annual Plans</strong>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966/67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>N.A.</td>
<td>N.A.</td>
<td>97.0</td>
</tr>
<tr>
<td>Achievement</td>
<td>30.4</td>
<td>10.14</td>
<td>74.2</td>
</tr>
<tr>
<td>1967/68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>N.A.</td>
<td>N.A.</td>
<td>100.0</td>
</tr>
<tr>
<td>Achievement</td>
<td>37.6</td>
<td>16.5</td>
<td>95.1</td>
</tr>
<tr>
<td>1968/69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>N.A.</td>
<td>N.A.</td>
<td>102.0</td>
</tr>
<tr>
<td>Achievement</td>
<td>39.8</td>
<td>18.7</td>
<td>94.0</td>
</tr>
<tr>
<td><strong>IVth Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target 1973/74</td>
<td>52.0</td>
<td>24.0</td>
<td>129.0</td>
</tr>
<tr>
<td>Achievement 1973/74</td>
<td>43.7</td>
<td>22.1</td>
<td>103.6</td>
</tr>
</tbody>
</table>


** As 1965/66 was an exceptionally bad crop year, 1964/65 figures also have been given.

*** Grain-wise details of targets not available.
Till 1965, i.e. before APC was set up there was no stable price policy. It was pure ad-hocism that ruled. Measures were taken to meet the exigencies of a particular situation as and when it arose and little attempt was made at devising long term policy measures for achieving given social and economic goals. As APC put it in its very first report: "During good crop years, there is a tendency to neglect the organisational machinery with the consequence that when a bad crop follows the machinery is not in a position to cope with the situation".¹ All policy measures before 1965 were usually adopted after the event and thus were not always successful in achieving the desired results. The overall situation during this period therefore continued to be one of prevailing shortages of foodgrains which was sought to be met by various controls on prices and distribution of foodgrains. The latter took the form of zonal restrictions on movement of foodgrains, and public distribution of foodgrains through rationing and retail sale through fair price shops. This government intervention in the food market distorted the free market distribution of available supplies, disrupted the work of market forces and sharpened the division between surplus and deficit regions which has got perpetuated. It was again a consumer oriented policy with little regard for the interests of the producers. Besides this, it created uncertainty in the minds of farmers

and traders because the policy alternated between free trade, single state and multi-state zones and affected their expectations of profit which in turn were reflected in the amount of stock held by them. The price advantage derived by the farmers in surplus state was offset at least to some extent by the uncertainties caused by changing stance of government policy.

The year 1965, therefore marks the beginning of a new chapter in the food and agricultural policy followed in India. Two important changes can be observed in that year in the agricultural and food policy, both of them representing a reversal of the policy followed till then: (1) The policy which had been exclusively consumer interest oriented till then now began to pay attention to providing incentive to the producer as well; and (2) instead of relying on concessional imports of foodgrains under PI 450, the country began to aim at national self-reliance in the matter of food supply. The change in price policy coincided with the introduction of High Yielding Varieties (HYV) of seeds. Some economists tend to attribute the Green Revolution to the adoption of HYV seeds and the new package of agricultural practices. The impact of change in price policy therefore tends to be ignored by them. The question however, remains whether the HYV seeds and seed-fertiliser technology would have been adopted so readily by the farmer, had the profitability of using them not increased in the wake of the rise in foodgrains prices. "All said and done,
the coincidence of (relatively) higher foodgrain prices and production breakthrough need not be ignored. That the high prices of foodgrains considerably improved the profitability of HYV cannot be denied.\textsuperscript{1} A decisive element in the triggering of Green Revolution as already seen, was the cabinet decision taken in 1966 under the persuasion of the then Food and Agriculture Minister, Sh.C.Subramaniam, and in the teeth of opposition from the Commerce Minister Shri T.T.Krishnamachari to allow 15% increase in procurement prices of grain that year.\textsuperscript{2} But for this positive action by the government on the price front, Green Revolution might have been aborted at the very outset.

This, however, turned out to be a temporary measure, with procurement prices raised for that one year. It did provide the initial push, but for ensuring a stable and uninterrupted growth of agricultural production, it was necessary to put the policy of offering price incentives on a durable footing. This was not done. Twists and turns in the policy continued, the underlying sentiment being always to protect consumer's interests and to use the provision of cheap foodgrains as an anti-inflationary measure.


\textsuperscript{2} Akbar, M.J; "India; The Siege Within"; Penguin; 1965; pp.168.
The AFC and the New Agricultural Policy

The Agricultural Prices Commission came into being through a resolution passed on 8th January 1965. It said that "the Government of India have had under consideration for some time the question of setting up a body to provide advice on a continuing basis on agricultural price policy and price structure in the context of the need to raise agricultural production".¹ So the Agricultural Prices Commission, or the A.P.C. as it came to be called, was appointed to advise the Government of India on a continuous basis "on the price policy of agricultural crops, particularly paddy, rice, wheat, jowar, bajra, maize, pulses, sugarcane, oilseeds, cotton and jute with a view to evolving a balanced and integrated price structure and resolving the claims of competing crops on limited resources in the perspective of overall needs of the economy and with due regard to the interest of the producer and the consumer".²

Thus AFC was set up in 1965 with Prof. M. L. Dastur as the Chairman. The terms of reference of the Commission

were to be:

(a) To advise the government on the price policy of agricultural commodities with a view to evolving a balanced and integrated price structure in the perspective of the overall needs of the economy and with due regards to the interests of the producer as well as the consumer. This was to be done keeping in view (i) the need to provide incentive to the producer for adopting improved technology; (ii) the need to ensure rational utilisation of land and other production resources and (iii) the likely effect of the price policy on the rest of the economy and to suggest such non-price measures as were necessary to achieve the objectives mentioned above.

(b) To recommend measures necessary to make price policy effective.

(c) To examine the current methods and cost of marketing of agricultural commodities in different regions and suggest measures to reduce costs of marketing and recommend fair price margins for different stages of marketing.

(d) To keep under review the developing price situation and to make appropriate recommendations as and when necessary, within the framework of the overall price policy.1

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Thus, by assuring the farmers of a minimum remunerative price for their product to give them "confidence that the additional effort and investment which are called for yield adequate returns", the Commission was to take a giant step in changing the consumer oriented price policy of the country to a producer oriented one.

The most important indicator of official price policy in India, since the AFC was set up, has been the procurement prices recommended by the Commission and fixed by the government. Minimum support price could not be seen in this role in the Indian economy as it has only become a national price in this country, the market price hardly ever having fallen below the support price announced by the government. The policy of fixing minimum support prices for cereals had been adopted in 1964 but it had remained inoperative on account of the high market prices consequent upon the drought in two consecutive years of 1965/66 and 1966/67. In 1967/68, when due to a bumper crop, prices threatened to fall, government announced higher support prices for wheat and rice and kept prices constant at previous year's level. This marked the reversal of government's earlier price policy. At one

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time the government had been all out to keep prices low for the consumer. Now that it had decided upon giving incentive prices to growers, it kept prices at a high level when market forces would have brought them down. The pendulum had swung to the other side somewhat in agricultural price policy of India.

The procurement price i.e. the price at which the government stands ready to purchase grain in accordance with the procurement targets set by it for that year, is recommended by the APC every season for different crops. The government announces the prices on the basis of these recommendations. Various states might then fix the procurement prices for the areas of their relative jurisdiction on the basis of these prices. Though the two prices, the one recommended by the APC and the one fixed by the states are expected to be the same, they have, however, been known to be very much different, the price fixed by state being much in excess of the one recommended by the APC. According to Rajkrishna and Raychoudhury, the average of the excess of state level prices over the recommended prices has varied between 1-9% for wheat. In 1967/68 the mean excess was as high as 34%. For rice, the excess has ranged between 1 and 7%.

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in most years and in the two years of 1966/67 and 1967/68, it was as high as 16 and 21% respectively. The maximum difference between the recommended and actually fixed price was 79% in Bihar in 1966/67. The authors concluded that a small difference in the two prices in the case of rice might be due to rice-paddy conversion ratio across the states but they find that the observed difference remains significant even after an allowance is made for conversion differentials.

The fixation of prices at levels higher than recommended might be interpreted as reflecting the influence of farmers' lobby and political pressures on State Governments which by their very nature are more exposed to these pressures than the Central Government. But it could also be due to the realistic assessment of the prevailing situation on the part of the State Government with regard to fulfilling the procurement targets set for them. Without the necessary price inducements, they would fail to get the required procurement.

The mean excess of rice procurement prices fixed by the state governments over the prices recommended by ARC can be seen from the following table:

# Mean Excess of Procurement Prices Fixed by State Governments over the Prices Recommended by APC

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>3</td>
<td>Bihar</td>
</tr>
<tr>
<td>Bihar</td>
<td>12</td>
<td>Madhya Pradesh</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>5</td>
<td>Punjab</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>3</td>
<td>Uttar Pradesh</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>West Bengal</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

Though the procurement prices in the states were fixed higher than those recommended by the APC, they still fell far short of the cost of production. The full cost of production of wheat in five major wheat producing states of Bihar, Rajasthan, Punjab, Haryana and Uttar Pradesh was 14 to 30% higher than the procurement prices in 1950's and 1960's for all three year periods for which cost data are available. This did not apply to irrigated wheat in Punjab and west Uttar Pradesh where the cost of production of wheat was low.*1

After the Green Revolution set in, procurement prices started to exceed the cost of production, and there was generally an appreciable margin between the two, varying from 11% to 66% for desi wheat in Punjab and irrigated wheat in Uttar Pradesh respectively, at least till 1973 when hike in petroleum prices and hence in prices of fertilisers raised costs steeply in the green revolution area.¹

The relationship between procurement price and cost of production, as shown by Raj Krishna and Raychoudhuri has therefore, changed between 1950 and 1970. While in the 50's the cost of production was higher than the procurement prices, the position was reversed after 1965. However, in spite of this, the procurement price has always been lower than what the farm harvest prices would be under free market conditions. This has been made possible by monopoly procurement arrangements. Price support policies in India remained mostly inoperative except in 1967-68, when following the bumper harvest a precipitate fall in prices was threatened and government decided to give higher prices in support to the wheat and paddy producers. These price support measures, though a laudable attempt at any other time, were a wasted effort at this time; the action had been taken after the event. As K.N. Raj puts it "... Raising productivity of

¹. Ibid. pp. 8.
food requires not only more inputs like labour, water, and fertiliser but incentives to make these inputs worthwhile to agricultural producers". The Indian farmer did not receive this incentive, Mason puts the whole price policy during the mid-fifties and early-sixties in a very succinct form"..... prices of farm inputs and of consumers goods used by the agricultural population rose, while the prices of food-grains and of some other farm outputs were held down by government action .... surplus wheat and rice in areas producing surpluses were purchased by government at prices below the market for sale in deficit areas.... fertilizers prices ... were substantially higher than world market prices during the whole period.... It is more than a surmise that the ready availability of agricultural surpluses from the United States had something to do with maintaining cereal prices at a low level".

Setting up of the AFC was a watershed in development of agricultural price policy in India. It marked the beginning of a much more meaningful price policy than the barren policy of earlier period. Designed with an eye on the current price


scene, and the cost of production being incurred by the cultivators, it was much better suited to lead the country's agricultural economy towards growth than any of the policies followed till then. Its best part lay in the fact that the interest of the producers, which had been ignored till then, now began to be given consideration. The beginning of giving incentives to the producers also marked the beginning of the progress of the country towards national self-sufficiency in food supply and building up of food security for itself. The country about which it had been suggested that it was a basket case deserving dumping in the midstream in favour of those who were less severely affected, and had better chances of survival, had not only survived but had become self sufficient in foodgrains by the end of the period under study and coincidentally five years after the adoption of positive price policy.