

ROAD TO BANKRUPTCY

Trapped by Eucalyptus

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[Land grabbing in India takes many forms including expansion of plantation monoculture for carbon sequestration. Private companies are contracting out farmers to grow eucalyptus trees, purportedly as raw materials for paper, with the usual promise of higher income. Hoping it could be a ticket out of poverty, many farmers join the ride with disastrous consequences.]

In Sanabrundabadi village, in the district of Rayagada in Orissa, Apparao Hikoka sits by the shade of a mango tree. He looks beaten and bowed trying to recount his unfortunate experience with growing eucalyptus. The 54-year-old feels that he had been tricked by a paper company and trapped by its bank accomplice who he thinks are out simply to extract profits from farmers. Though he may still have his land today, he is not sure about its future as it is tied to his bank loan as collateral.

His sad story started in 2000 when people from JK Paper Ltd, (JKPL) and Utkal Gramya Bank came to his farm and approached him to plant eucalyptus. He would earn more from this, they promised. He was given a loan of Rs 48,000 with 12% cumulative interest, for his two-acre land. But only half of the money was actually given. The other half was deducted against the cost of 8,000 saplings of eucalyptus from JKPL's nursery. He used up the loan amount to buy chemical pesticides and to pay for additional labour to plant the seedlings. He then waited for the first harvest. He got a good return from the first harvest in 2007—Rs 65,000. However, the company took the total returns adjusting it against his loan and interest.

Apparao was appalled. He waited that long but couldn't earn anything. What would he tell his family? How would he feed them? He felt very angry and helpless. Little did he know that it would be the same situation over again in the succeeding harvests. It has been 11 years now. The eucalyptus trees are still growing on his farm, and for Apparao Hikoka, they've been a constant source of heart break. His cycle of indebtedness has left him penniless.

Four other farmers in Sanabrunda-badi claimed to have experienced the same. For them, it was a bigger mistake: the amount they get from eucalyptus plantation is not even enough to repay the loan. The experience of farmers in Sanabrundabadi, is also shared by farmers in at least seven more villages in Rayagada district. JKPL's eucalyptus plantation project covers around 3,000 hectares of land in three districts each in Orissa and Andhra Pradesh. The districts are Rayagada, Kalahandi and Koraput in Orissa and Srikakulam, Vizianagaram and Visakhapatnam in Andhra Pradesh.

In the village of Bhatpur, around 20 km from Bissam Cuttack, another eucalyptus farmer, Gangaraj fell from the same promise. He used to plant various types of millets (finger, barnyard) as well as cow pea, pigeon pea, niger and sesame. By growing these crops in one

acre, his family was able to meet five to six months of food requirement. This continued till JKPL along with Utkal Gramya Bank visited his village. They promised that with eucalyptus plantation, his income would increase after five years. Believing them, he took a loan of Rs 12,000 per acre.

As luck would have it, the opposite happened. Out of four acres, he could earn only Rs 40,000 in five years. This translates to Rs 2,000 per year per acre. With this money, he can buy food (bare essentials and not include animal protein) which would be sufficient for a maximum of one month. Not only did his income decrease but his family's food security also got compromised. Also, he got deeply indebted in five years. He has to now repay Rs 65,000 towards his borrowed capital plus interest.

Though a potential industrial crop, many references in the literature point to eucalyptus as an inappropriate inter-crop species in agroforestry systems. This is because it releases inhibitory compounds that adversely affect the germination and growth of neighbouring plants by disrupting their energy metabolism, cell division, mineral uptake and biosynthetic processes.

In Ratatiki village, just a few kilometers from Bissam Cuttack, a couple of farmers reported that their farms have been affected by eucalyptus trees of the neighbouring farms. In one farm, the side closer to the 3-year-old eucalyptus trees, germination of finger millets was affected, while the rest of his farm looked healthy. Somehow, his farm looked like a poorly-shaved chin. The farmer explained that this might have something to do with the eucalyptus leaves falling on that side of his farm, inhibiting the growth of the finger millet. In another patch of land where he planted sorghum, it's the same story again.

In the same village, another farmer has a similar story. In his case, not only were his crops affected, his source of irrigation was also disrupted. There used to be a natural spring in his land, strong enough to irrigate other neighbouring farms too. In fact, appreciating the volume of water that came out of the spring, the local government installed an electric-operated lift irrigation system. This was four years ago when he could manage to grow crops 2-3 times a year. But now with water-guzzling eucalyptus plantation near his farm, he can grow only one crop during rainy season. He survives the rest of the year on wage labour.

Apparao Hikoka had exactly the same experience with water depletion. In the course of 11 years, the natural spring dried up and crops like paddy and millet grown in fields near the eucalyptus trees had problems with germination. But another serious consequence that he realized was that the residual roots of the eucalyptus needed to be destroyed before the land could be used again for other purposes. If not, the eucalyptus roots would continue to grow. With a 4-acre farm, he would need additional labour to do it. But where would he get the money to pay for it, given his bankrupt condition?

In Majhialama village, farmer Nari Praska used to get eight hundred kilos of finger millet, four hundred kilos of sorghum and one hundred kilos of pigeon pea from his 4-acre (1.6 hectare) land every year. His six-member family could get sufficient nutritious food from his

land. He even earned Rs. 2000 from selling surplus grain. Malnutrition or food crisis was never a problem. He owes it to the mixed cropping system that he follows. He never bought food from the market until he planted eucalyptus. Now his family faces four months of food shortage every year.

Back in Sanabrundabadi, Apparao Hikoka says he was planting six varieties of millets and two varieties of pulses and oil seeds on his 4-acre land before planting eucalyptus. His harvest from these crops was sufficient to keep his family food secure for 4-5 months. But, just like Nari Praska, he now buys food for his family from the market.

India promotes "green economy" to provide Clean Development Mechanism –a much needed policy framework as well as generate public acceptability of the carbon sink idea. In essence, it says, "go buy your gas-guzzling car but use our biofuel, go release your GHGs but make sure you buy our carbon credits." But not only does this scheme create a false sense of sustainability, it also opens up a business opportunity for the companies at the expense of local communities.

Under the CDM, farmers are supposed to benefit from the carbon credits. In the JKPL-Veda-farmer contractual agreement, validated by World Bank, a certain percentage of the carbon credits are supposed to accrue to farmers as additional income. But farmers in at least seven villages in Rayagada district who were "tricked and trapped" (as they described it) to plant eucalyptus, were never even told about their role in carbon sequestration, the credits they could earn, and the income they could receive from it.

Also, under the scheme, it was agreed that the CDM Company receives carbon credit proceeds from World Bank's Bio-carbon Fund which will be transferred (at least 80% as in case of Farmer-JK-Veda agreement) to the farmers' accounts. The revenue share for farmers is expected to range from Rs. 150-200 per ton or about Rs. 5,000-7000 per acre.

In these villages in Rayagada, farmers cannot help but suspect that JKPL might be deriving double profits from the eucalyptus that they are growing - from paper production to carbon credits - and keeping the villagers in the dark about it. CDM companies are supposed to provide relevant technologies and guidance. But farmers complain that they were never told about the negative effects of eucalyptus in agriculture or the environment in general.

When farmers are pushed into bankruptcy and left with seriously depleted soil and water resources that makes growing food difficult, it is no lesser than a land grab. As Apparao Hikoka argues, he may have the land, but it is nothing more than a dead earth. As these farmers' accounts show, there is nothing which is either clean or developmental in the scheme - whether it's to make paper or sequester carbon, and it hardly contributes to their economic wellbeing. As one farmer remarked, the situation they find themselves in by falling into this monoculture trap is a painful, unceasing mental violence that would take them a long time to forget. -

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