

A report on the Minimum Wages Pilot Project in Corn Seed Production locations in Eluru, Andhra Pradesh

(An initiative of ECHO for 3 consecutive seasons from 2022-23 to 2024-25)

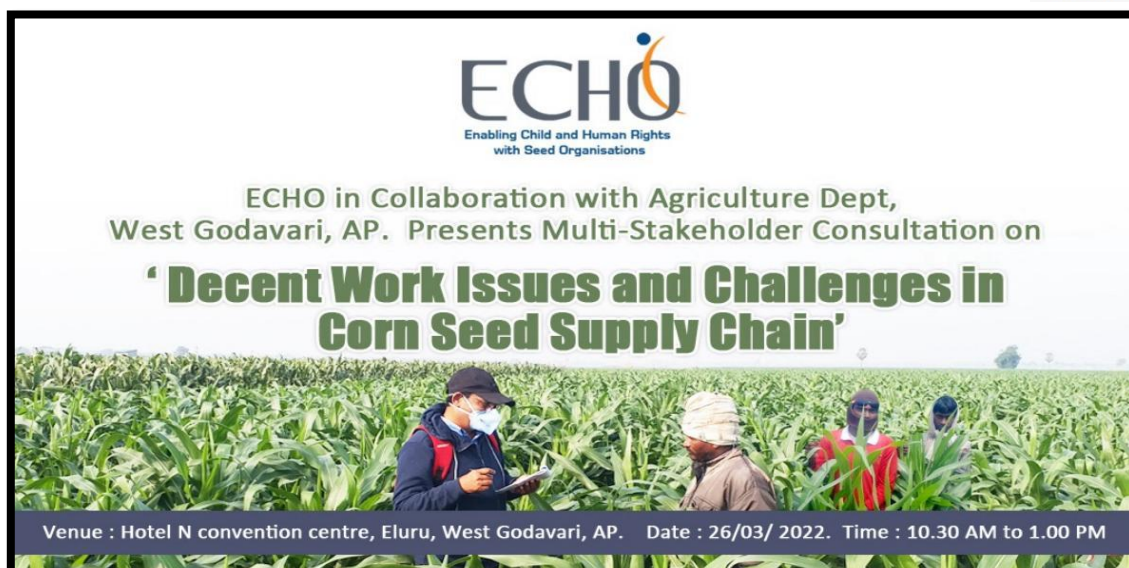
CONTEXT

The India laws guarantee payment of minimum wages to workers in different sectors, including agriculture sector. Studies have revealed that in spite of this legal requirement, payment of minimum wages have long been an issue in the agriculture sector, especially the hybrid seed production.

ECHO initiated an effort towards minimum wage compliance for farm labour under its agenda for protecting decent work standards. Accordingly, a pilot project was initiated in 2022 and continued for the 2023 and 2024 seasons with its member companies like Bayer, Syngenta, Advanta and Limagrain for their corn seed production farms near the Eluru region in Andhra Pradesh state. A well-defined process of stakeholder engagement, capacity building, field monitoring and documentation are ensured during the 2022, 2023 and 2024 crop season pilot project studies to understand various dynamics around the implementation of minimum wages for corn detasseling farm labour that aids in developing a strategy for the way forward. **In the report, when mentioning business related data, the names of pilot project partner companies have been anonymised to mask the business sensitive data.**

Year 1- 2022-23

During the 2022 crop season, ECHO, in collaboration with the Department of Agriculture and the Department of Labour, organised a consultation and most of the corn seed companies based out of the Eluru location participated. In this multi-stakeholder consultation meeting held at Eluru, Andhra Pradesh, on 26th March 2022, which is exclusively organised to discuss this issue, it was noted that collaborative and concerted efforts from different stakeholders are required to tackle this issue. Several seed companies, including Bayer, Syngenta, Advanta, Limagrain, and Corteva who participated in the meeting, have agreed to initiate pilot projects in select locations/villages to implement the minimum wages during the current crop season (2022-23). Companies also agreed to implement a joint pilot programme under the guidance of the ECHO forum in selected common production villages, where a common strategy and action plan, are agreed to implement.



Key accomplishments & learnings:

1. First time, a multi-stakeholder cum field-level orientation program is conducted in Eluru which is a corn seed production hub in Andhra Pradesh in India
2. Seed company representatives of around 15 seed companies actively participated
3. Senior officers from the Department of Agriculture and the Department of labour are also involved in the meeting and shared their perspectives
4. It is agreed by a majority of the companies to conduct a pilot program on minimum wages in the upcoming season

Eventually, a pilot program is designed in consultation with corn seed production teams to sense the dynamics that do exist in payment of legal wages, during dry season of 2022-23. However, due to the late start of the pilot programme and lack of sufficient time and planning, could not effectively implement all the planned activities in the pilot programme. ECHO conducted field visits to understand various challenges during implementation of pilot program.



Key accomplishments & learnings (2022-23 crop season):

1. ECHO shared a field assessment report to reflect on the gap in minimum wage payment based on the previous season's findings
2. Four major seed companies have come up openly to discuss the issue and further work on common strategies to address the problem under the guidance of ECHO
3. Common guidelines are shared in terms of compliance with minimum wages and documentation and initiated a pilot project in one village by each of the companies (Syngenta in more villages).
4. As part of the pilot programme, all the participating companies maintained documentation of workers attendance and wage payment records despite the gaps in data collection and recording. Syngenta based on their previous experience, shared their field monitoring and reporting tools on wages compliance
5. While the stipulated minimum wages is Rs 435/- (6 hours of working), some companies interpreted proportionately and attempted to pay Rs 290/- for 4 working hours of detasseling work (9 am to 1 pm) which is a usual practice in this location. This payment is in addition to labour transportation cost

Year 2- 2023-24

Further in 2023-24 corn dry season, a more structured pilot program is executed with support of Bayer, Syngenta, Advanta, Limagrain and respective teams are oriented by ECHO. Considering experiences of 2022-23 season, ECHO organized brainstorming session with corn production teams well ahead of crop season. Wages for 2023-24 season are revised to Rs 488/- per day in Zone 2 where pilot project is implemented. ECHO also conducted field audits to understand implementation methodology and views of different stakeholders and a reporting format is designed for each company to share their learnings.



Key accomplishments & learnings (2023-24 crop season):

1. Implemented pilot project by four partner companies-Partner-1 in 2 villages, partner-2 in 4 villages, partner-3 in 7 villages and partner-4 in 2 villages covering about 60, 100, 350 and 30 seed growers and this has an acreage of 200, 374, 740 and 25 respectively.
2. Awareness programs are conducted by respective seed production teams for the farmers and farm labour. Syngenta engaged a NGO to conduct these awareness programs.
3. Seed organisers are involved from the beginning and they are made responsible for the selection of pilot villages, labour crews and farmers where the pilot project has to be implemented.
4. Detasseling costs are restructured as needed to ensure payment of minimum wages of Rs 488/- per 6 hours of working.

5. Field-level documentation is improved to track the in-time and out-time and wages paid.
6. Executed the pilot project using both **daily basis and piece rate contract work models** for worker hiring.
7. Extended working hours from 4 hours to 6 hours to comply with stipulated wages of Rs 488- (9 am to 4 pm) though there is a reluctance from labour to stay back and extend work beyond lunchtime. It is observed that work efficiency is reduced post lunch due to age factor and (more than 40 years age) high temperatures especially for women labour more so to deal with their work at home.
8. In the piece rate model of hiring labour, wages paid were on far/higher with the stipulated minimum wages, where as in daily wage model wages were increased but they are still below minimum wages when considering the actual wages paid excluding the amount paid for travel and food.
9. Labour coming from the same village preferred to work half day only thus there is an increase in transportation cost to bring labour from neighbouring villages.
10. As most of the detasseling crew are women, there is no discrimination observed in the payment of wages between men and women labour.
11. Wages are paid to workers directly from the seed organizer once in a week based on the attendance recorded and these payments are mostly online transfers. There is also a practice of paying to labour crew head for further distribution to individual labour, however records are maintained.
12. Certain growers and organizers apprehended that this increase in wages during detasseling may have impact on wages to be paid for labour hired on a daily basis during harvesting. Organizers also felt that paying more wages in pilot villages may lead to a situation in other villages for demanding more/same wages.
13. Certain challenges such as underpayments of other seed companies within a village, and demand and supply of labour etc remain prevailing.
14. Further upscaling may have challenges while expanding to more farmers and villages especially to get labour who are continued to work during afternoon shifts and usually preferred for domestic work. At times, aged women labour are also reluctant to work post lunch.
15. However, opportunities do exist by involving more companies, influencing and engaging communities/local influencers, revising detasseling cost etc.,

Way forward: Considering 2 seasons of experience through this Minimum wage pilot project and field level learnings, ECHO proposed the following actions:

1. Member companies to revisit their detasseling costs to be more realistic to cover minimum wages.
2. Influencing a few more companies to bring them under the fold of minimum wages compliance
3. To harmonise the approach and bring uniformity in monitoring and reporting tools
4. To brainstorm to extend the pilot project to other major corn seed production locations based on feasibility, while assessing different models of labour engagement (daily, piece rate/contract etc)

Year 3- 2024-25

Further in the 2024-25 season, the corn minimum wages pilot program is continued with an extended area and covering different geographies like Rajahmundry, Darsi, Bhadrachalam, and Porumamilla. Partner company-1 increased its area under pilot from 200 acres in 2023-24 to 400 acres in 2024-25. During this period, Partner company-2 increased its area from 375 acres to 700 acres, partner company-3 from 740 acres to 1500 and partner company-4 from 25 acres to 50 acres.

The stipulated minimum wage as per government notification is revised from Rs 488/- to Rs 528/- for Zone 2.

ECHO team audited the farms during the detasseling stage across pilot project implementing companies (Bayer, Syngenta, Advanta and Limagrain) and made the following observations. This audit was done in major seed production locations near Eluru where women labour are majorly employed under daily wage system for detasseling.

Table1: Corn – Minimum Wages (MW) Pilot Project (2024-25 crop season) - ECHO Field Visit Observations in Eluru region

(Applicable MW for Zone 2 in AP is Rs 528/- for 6 Hours of working)

Company	Actual Working hours (Excluding lunch /rest break	Actual daily wage paid to worker	Other benefits (free transportation, food/snacks)
Pilot Project Partner 1:	6 hours (8.30 am to 4.30 pm, with 2 hours lunch break)	Rs 450/-	Rs 100 (travel + food)
	4 hours (8.30 am - 12.30 pm)	Rs 250	Rs 50 (travel)

Pilot Project Partner 2:	6 hours (9 am to 5.00 pm, with 2 hours lunch break)	Rs 550	
Pilot Project Partner 3:	6 hours (9.00 am to 4.30 pm, with 1.30 hours lunch break)	Rs 420-450	Rs 75-100 (travel+ food)
Pilot Project Partner 4:	4.5 (8.00 am to 1 pm, with half an hour break)	Rs 350	Rs 50 (travel+snacks)

Note: a) The data in above table relates only wages paid for workers in daily wage model. **b) the names of pilot project partner companies anonymised to mask the business sensitive information.**

Other observations and learnings (2024-25):

- Mostly women labour is working from in two shifts 8:30/9.00 am to 12:00/1.00 pm & 1:30/2.00 pm to 4:30/5.00 pm (total – 6-7 Hours)
- All companies are following documentation for labour attendance and wage payment. These records are in English, and farm labour are signing in these records
- Payment mode and methodology: Organizer to Farm labour through labour contractor, and these are weekly Payments; No digital payment, hence companies have no evidence on how much is being paid to farm labour
- To further strengthen focused training to create awareness on MW compliance for different stakeholders, is needed. Syngenta followed a methodical process for awareness through mapping of worker crews in project areas well in advance and operationalising workers' grievance channel, which could be a learning for others.
- Advanta has an exclusive team to monitor this project, and they are also providing PPE (apron, gloves, gum shoes and goggles) that needs further customisation to suit hot weather conditions. Syngenta is also providing PPE that suits detasseling operations, especially detasseling caps to protect eyes and face from sharp leaves, to prevent any injuries
- This year, close spacing/dense planting, labour has to take more pain for detasseling while moving in the fields
- Most of the field-level challenges remain similar to those of 2023-24, during implementation of Pilot project by respective companies, such as reduced work efficiency during the second half of the day, most of female workers are reluctant to work beyond 4 hours of working, local pressure from other work crews to increase wages etc



Way forward: Considering consecutive 3 seasons of experience and field-level learning through pilot project, ECHO proposes the following actions:

- Member companies to revisit their detasseling costs to be more realistic without considering the cost towards transportation plus food etc, (as defined under law), though it's borne by the company currently as a good gesture. ***With the current detasseling prices paid by the companies it will be difficult for the organizers to pay minimum wages to the workers and meet other related expenses.***
- Influencing a few more companies to bring them under the fold of minimum wage compliance
- There's potential for encouraging and securing commitment from seed organisers for larger-scale implementation
- Strong enforcement (instructions/guidelines) required from local authorities (Dept. of Labour / local panchayats) and also from the companies internally, especially to build the compliance commitment among the seed organisers
- To harmonise the approach and bring uniformity in monitoring and reporting tools
- WISH (Wages in Seed Hybrids) project at Vegetable seed production locations in Karnataka and Maharashtra, the learning and experiences of that project may be considered as it fits for corn seed production dynamics
- To consider providing required PPE as an additional requirement for detasseling workers, considering hard work and hot weather despite more plant density
- ECHO to publish a knowledge paper based on 3 seasons of experience in Corn to share with different stakeholders