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**DAILY EDITORIAL
ANALYSIS**

TOPIC

Distressing Agriculture Sector

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DISTRESSING AGRICULTURE SECTOR

In Context

- The **estimate for agriculture GDP in 2023-24** reveals a **growth of 1.8 percent**, a significant dip from 4 percent the previous year, which reflects **stress in the agriculture sector**.

Agriculture Sector in India

- India is one of the major players in the agriculture sector worldwide and it is the **primary source of livelihood for ~55% of India's population**.
- India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world.
- It is the second-largest producer of fruit, vegetables, tea, farmed fish, sugarcane, wheat, rice, cotton, and sugar.

Recent Trends

- **Fall in the Agricultural Prices:** The **stagnation or fall of agricultural prices** in the market was not ameliorated by equivalent rise in minimum support prices (MSP).
 - ♦ For major foodgrain crops, the MSPs rose by an average **5% per annum** between 2013-14 and 2023-24.
- **Real Income of Farmers:** The real incomes of agricultural households from cultivation fell by about **1.4%** between 2012-13 and 2018-19.
 - ♦ The fall of incomes from cultivation was not only owing to the stagnation or fall of agricultural prices, but also due to a sharp rise in the costs of inputs in agriculture, particularly fertilizers.
- **Rural Unemployment:** It rose between 2011-12 and 2018-19. For rural men, the rise was from **1.7% to 5.6%**. For rural women, the rise was from **1.7% to 3.5%**.
- **Public Investment:** The public investment in agriculture, in general as well as in specific fields like agricultural research and extension, were stubbornly stagnant, and occasionally even fell, over the past decade.
 - ♦ Consequently, capital investment in agricultural and allied sectors did not rise.

Major Challenges Faced by the Agricultural Sector:

- **Lack of access to credit & finance:** Small and marginal farmers often face difficulties in accessing credit and financial services.
 - ♦ Limited availability of affordable credit restricts their ability to invest in modern farming equipment and quality seeds and fertilizers, hampering their productivity.
- **Small landholdings:** Average farmers are small landholders, leading to fragmented and uneconomical farming practices.
 - ♦ This makes it challenging for them to adopt modern agricultural methods and technologies, resulting in lower productivity.
- **Outdated farming practices:** A significant portion of Indian farmers still rely on traditional and outdated farming methods.
 - ♦ Limited access to information, lack of awareness about modern techniques and resistance to change hinder the adoption of advanced farming practices.
- **Water scarcity & irrigation:** India's agriculture is heavily dependent on monsoon rain, making it vulnerable to droughts and inconsistent rainfall patterns.
 - ♦ Access to irrigation facilities and water management are crucial challenges, particularly in regions with limited water resources.
- **Soil degradation & land erosion:** Improper land use practices, excessive use of chemical fertilizers and pesticides and inadequate soil conservation measures contribute to soil degradation and erosion.
 - ♦ This leads to reduced soil fertility and increased vulnerability to pests and diseases, besides reducing agricultural productivity.

- **Inadequate agricultural infrastructure:** Insufficient storage and cold chain facilities, inadequate rural roads and limited access to markets contribute to post-harvest losses.
 - ◆ These infrastructure gaps add to the cost of production and limit farmers' ability to fetch fair prices for their produce.
- **Lack of access to markets:** Small farmers in India often have difficulty accessing markets to sell their products, which can limit their income and economic growth.
- **Market volatility & price fluctuations:** Farmers in India often face price volatility due to lack of effective market linkages, intermediaries and price information.
- **Climate change & natural disasters:** Increasingly unpredictable weather patterns, climate change and occurrences of natural disasters—such as floods, cyclones and droughts can lead to crop losses, livestock mortality and increased vulnerability for farmers.
- **Lack of farmers' empowerment:** Farmers' voices and representation in policy-making processes are often inadequate.
 - ◆ Restricted farmers' empowerment and involvement result in policies and initiatives that may not address their specific challenges effectively.
- **Pests and Diseases:** Outbreaks of pests and diseases can significantly damage crops, leading to yield losses.
 - ◆ Lack of proper pest management practices and awareness exacerbate the problem.

Steps Taken by Government for the Growth of Agricultural Sector:

- **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN):** Launched in **2019**, PM-KISAN is a direct income support scheme for farmers.
 - ◆ Under this program, eligible farmers receive financial assistance of Rs. 6,000 per year in three equal installments.
- **National Agriculture Market (e-NAM):** The e-NAM is an online platform that aims to create a unified national market for agricultural commodities.
 - ◆ It enables farmers to sell their produce to buyers anywhere in the country, promoting transparency and fair pricing.
- **Soil Health Card Scheme:** This initiative provides farmers with soil health cards, which contain information about the nutrient status of their soil.
 - ◆ It helps farmers make informed decisions about crop selection and appropriate fertilizer use.
- **Pradhan Mantri Fasal Bima Yojana (PMFBY):** PMFBY is a crop insurance scheme that provides financial support to farmers in case of crop failure or damage due to natural calamities, pests, or diseases.
- **Agricultural Infrastructure Fund:** The government has introduced a dedicated fund to support the development of agricultural infrastructure, including cold storage, warehouses, and processing units.
- **MSP (Minimum Support Price) Increase:** The government periodically announces minimum support prices for various crops to ensure that farmers receive a fair and remunerative price for their produce.
- **Pradhan Mantri Krishi Sinchai Yojana (PMKSY):** This scheme focuses on improving water use efficiency in agriculture.
 - ◆ It includes components such as micro-irrigation, watershed development, and the promotion of efficient water management practices.
- **PM-AASHA (Pradhan Mantri Annadata Aay Sanrakshan Abhiyan):** This scheme aims to ensure that farmers get remunerative prices for their produce.
 - ◆ It comprises Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS), and Pilot of Private Procurement & Stockist Scheme (PPPS).
- **Kisan Credit Card (KCC) Scheme:** The KCC scheme provides farmers with credit at subsidized interest rates, facilitating timely access to credit for agricultural and allied activities.

Suggestive Measures

- **Increasing Incomes:** This will require an aggressive push to improve technologies by strengthening the seed sector and knowledge dissemination system;
 - ♦ agricultural diversification in favor of high value commodities;
 - ♦ development of value chains by linking production and marketing centers;
 - ♦ and developing mechanisms to ensure minimum support prices in the event of crash in farm harvest prices.
- **Generating Employment Opportunities:** Agriculture will not be able to absorb the growing number of youth in rural areas.
 - ♦ **Incentives** should be provided in aggregating raw and processed products;
 - ♦ self-employment in agro-processing, agro-advisory, agriculture and rural transport, etc.;
 - ♦ and private sector engagement in secondary and tertiary processing.
- **Reducing Risks in Agriculture:** Both production and price risks are creating ongoing agrarian distress. The government should consider launching a Climate Resilience Scheme that covers both production and price risks.
- **Developing agri-infrastructure:** Agri-infrastructure—including agricultural markets, cold storage, warehouses, and agro-processing—has not developed in corresponding speed with rising agricultural production.
 - ♦ The government should develop modalities and proposals for public-private partnerships in the agri-infrastructure sector.
- **Improving Quality of Rural life:** Rural India is still missing basic amenities (including sanitation, hygiene, drinking water, drainage, schooling, and health centers).
 - ♦ Several programs and schemes that exist to build social and economic infrastructure should be united for larger impact.
- **Promotion of Organic Farming:** Consumers in India are increasingly looking for organic and locally sourced produce, creating opportunities for small-scale farmers to enter the market and differentiate their products from those of larger agricultural corporation.
 - ♦ Government should provide incentives and support to such businesses.

Way Ahead

- Substantial increase in farmers income and transformation of agriculture require a paradigm shift in the entire approach towards the agriculture sector.
- Advancement in science led technology, enhanced role of private sector in both pre and post harvest phases, liberalized output market, active land lease market, and emphasis on efficiency will equip agriculture to address challenges.
- A well co-ordinated action and strategy between the Centre and the states is needed to ensure that agriculture marches to the next stage of development along with other sectors.

DAILY MAINS QUESTION

Discuss the challenges that hinder the growth and productivity in the agricultural sector. What should be the suggested measures that need to be taken?

