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**DAILY EDITORIAL
ANALYSIS**

TOPIC

**Need of a Farmer-Friendly
Agri-Export Policy**

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NEED OF A FARMER-FRIENDLY AGRI-EXPORT POLICY

In Context

- Agriculture is still a crucial source of livelihood for a significant portion of the Indian population .

About the Export Policy

- The agricultural export policy was announced in 2018 to transform the ecosystem of India's agricultural exports.
 - ♦ This has led to agricultural exports reaching up to Rs. 4 lakh crore.
- **Objectives:** To diversify our export basket, destinations and boost high value and value added agricultural exports, including focus on perishables.
 - ♦ To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
 - ♦ To provide an institutional mechanism for pursuing market access, tackling barriers and dealing with sanitary and phytosanitary issues.
 - ♦ To strive to double India's share in world agri exports by integrating with global value chains.
 - ♦ Enable farmers to benefit from export opportunities in overseas markets.

Agriculture's Economic Impact

- India is one of the largest agricultural producers in the world, and its agricultural exports are an important part of its economy.
- The agricultural sector is estimated to constitute **18 percent of India's GVA in FY24**.
- The total food grains production for FY23 was 329.7 million tonnes, marking a rise of 14.1 million tonnes compared to the previous year.
 - ♦ Rice, wheat, pulses, Nutri/coarse cereals, and oilseeds witnessed record increases in production.
- India's global dominance extends across agricultural commodities, making it the largest producer of milk, pulses, and spices worldwide.
- Additionally, **India ranks second-largest producer of fruits**, vegetables, tea, farmed fish, sugarcane, wheat, rice, cotton, and sugar.
- The **horticulture production was 355.25 million tonnes** which is the highest ever for Indian Horticulture (as per third advance estimates).

Concerns

- Besides global price dynamics, **export restrictions and outright bans on sensitive agricultural commodities** like wheat, rice, sugar, and onions lately have significantly impacted agri-exports, driven primarily by the concerns of domestic food inflation.
- The ambiguities in the policy by citing empirical data on trade policy instruments used for export restrictions.
- Food losses and waste, and most importantly dwindling farmers income.
- There are also concerns related to **depleting groundwater**, especially in the Punjab-Haryana belt.
- **Free power and highly subsidised fertilisers** are leading to an ecological disaster.
- Sometimes ,Government policy has a consumer bias, which implicitly discriminates against the farmer.

Benefits of New Agriculture Export Policy

- **Export Diversification:** A farmer-friendly policy can encourage the export of a wider variety of agricultural products, reducing dependence on a few staple crops and promoting diversification within the agriculture sector.
- **Improved Quality Standards:** To meet international export requirements, farmers might be incentivized to adopt better agricultural practices and improve the quality of their produce. This can benefit domestic consumers as well.
- **Increased Investment:** A supportive policy environment can attract investments in agricultural infrastructure, processing facilities, and value addition, leading to overall growth in the agriculture sector.

- **Job Creation:** Growth in agri-exports can create new job opportunities in related sectors like logistics, packaging, and quality control.
- **Improved Market Access:** The policy can help farmers connect with international buyers, opening up new markets and reducing dependence on local markets that might be saturated or offer lower prices.
- **Enhanced Risk Management:** By diversifying export destinations, farmers can spread their risk and become less vulnerable to price fluctuations in the domestic market.
- **Increased Foreign Exchange Earnings:** Higher agri-exports can contribute to a positive trade balance and generate foreign exchange reserves, strengthening the Indian rupee.
- **Economic Growth:** A thriving agriculture sector with a strong export component can contribute to overall economic growth and development.

Steps of Government

- The policy initiatives, such as Pradhan Mantri Kisan Maandhan Yojana (PM-KMY), Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), and Pradhan Mantri Fasal Bima Yojana (PMFBY), have been instrumental in offering financial and income assistance to farmers.
- Every year, under the PM-KISAN **Samman Yojana**, direct financial assistance is provided to 11.8 crore farmers, including marginal and small farmers.
- The government has actively **promoted digital inclusion and mechanization to foster productivity**.
 - ♦ The launch of the digital platform e-NAM (National Agriculture Market) in 2016 has facilitated the integration of Agriculture Produce Marketing Committees (APMC) mandis and has provided multi-faceted benefits to farmers, farmer-producer organizations (FPOs), buyers, and traders.
- The **budget set aside for agriculture increased 5 times** from 1.37 lakh crore during 2007-14 to 7.27 lakh crore during 2014-25.
- **Pradhan Mantri Fasal Bima Yojana (PMFBY)** has become the largest crop insurance scheme in the world in terms of farmer enrolments as well as the third largest scheme in the world in terms of insurance premiums.
- Since the inception of the **Agriculture Infrastructure Fund**, Rs 35,262 Crores have been sanctioned for 48,352 projects
- A historic **MSP increase was announced** where, for the first time, the minimum support price of all 22 crops was set at a minimum 50% more than the cost.

Conclusion and Way Forward

- India is constantly improving its market share therefore policymakers must use agricultural exports to speed up economic development, generate employment, eliminate food losses and waste, and most importantly, increase dwindling farmers income .
- Policy consistency and continuity that expand market and production choices for farmers, which, at the same time, keep the larger environmental and ecological considerations and natural resources availability and demand in the country, will be useful in encouraging farmers to adopt new technologies and practices.
- There is a need for significant investments across agriculture, including research and development, seeds, irrigation, fertilisers and adopting resource-efficient farming practices like precision agriculture, fertigation etc.
 - ♦ These strategic investments can drive down per-unit costs, enhance global competitiveness, increase agricultural exports, improve farmers' profitability, as well as protect the environment.

Source:IE

Mains Practice Question

- Q.** In a rapidly advancing economy like India, nurturing the agricultural sector holds equal importance alongside the transformation of industries and digital infrastructure. Comment

