

Sustainable answers to burning questions such as low prices, rising input costs, poor irrigation and calamity relief need to be found since quick-fix solutions like loan waivers are unlikely to prove political gamechangers

# Sowing Seeds for Better Farm Growth

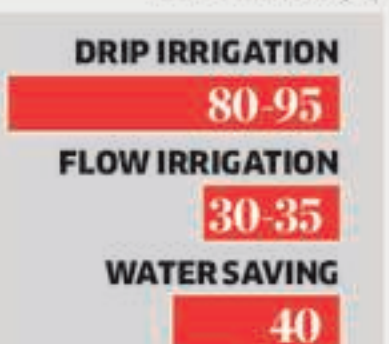
## SMALL BITES

ON THE AGENDA

### Drip Irrigation

In view of climate change, water needs to be utilised efficiently. Government is already implementing Per Drop More Crop. More funds will help

WATER USE EFFICIENCY (%)



WATER SAVING

40

### From Input Subsidy To DBT

INDIAN FARMER RECEIVES MULTIPLE SUBSIDIES. INSTEAD HE CAN BE GIVEN DIRECT CASH TO STOP MISUSE AND OVERUSE



**₹15,000 PER HECTARE**  
DBT POSSIBLE FOR FARMERS IF ALL SUBSIDIES REMOVED

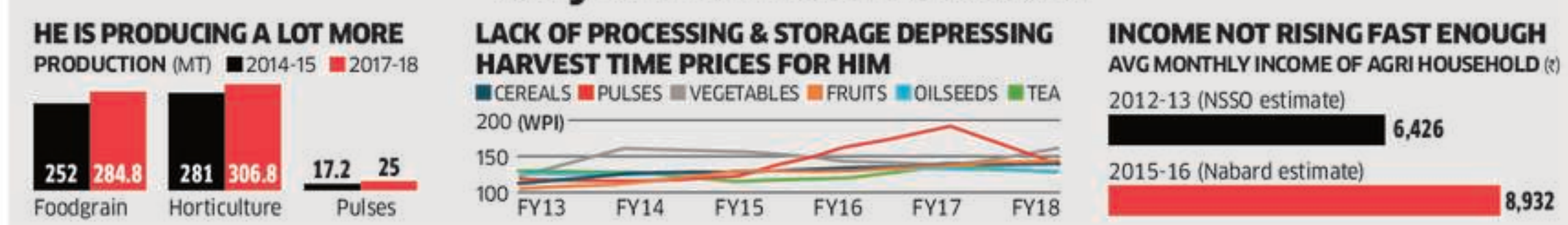
### PUSH FOOD PROCESSING

Greater push to food processing can help increase realisation and reduce price volatility

% OF PERISHABLE FOOD PROCESSED



## Why Is the Tiller In Trouble?



Rituraj.Tiwari@timesgroup.com

Ruralisation top of India's agenda. Farmers are vigorously demanding strong government support to battle the severe economic hardship at a time when politicians across parties are wooing them for votes.

Low prices of grains and vegetables, rising input costs, poor irrigation, along with drought and floods, have impoverished many farmers, although some have gained from improved yields and higher official procurement price.

With rural distress being blamed as a key contributor to the ruling BJP's loss in recent assembly polls, and general election around the

corner, political parties are sure to put farmer issues high on their priority list. Experts, however, say what they need is more than quick-fix solutions like loan waiver.

"On an average, income of salaried class and others is growing 5-10% annually. On the other hand, earnings of farmers are going down. Government should encourage farmers to cultivate cash crops and provide them a competitive market," said YK Alagh, a rural economy expert and chancellor of Gujarat Central University.

"Processing units and markets should be created near farms to enable farmers to sell their produce at competitive prices. Farmers are at a huge disadvantage if they have to transport produce longer distances," he said.

The government should manage farm tariff policies properly, as well as strengthen markets for perishable produce in small towns and create processing units close to farms, he said.

Vice-President M Venkaiah Naidu recently said the sector needed structural changes. "Agriculture has to be made profitable, sustainable and resilient, and farmers have to be encouraged to diversify into allied activities like poultry, horticulture and fishing to ensure sustainable livelihood, which can ensure home-grown

food security for all," he had said.

The role of farmer producer organisations is also important because small and marginal farmers constitute 88% of the farming community. PK Joshi, director for South Asia at International Food Policy Research Institute, said one of the main causes of farm distress was small landholdings in India—88% of the farming community in India is small or marginal. There is a need to consolidate landholdings for farming and marketing together, and the role of farmer-producer organisations is important here to gain economies of scale, he said.

Sustainable growth, however, will happen only by providing employment opportunities to small and marginal farmers outside agriculture, Joshi said. "In the long run, a large number of farmers

need to move out from agriculture for better employment opportunities... This will help in expanding per-capita land holding to generate decent income. This was exactly the way agriculture in developed countries evolved."

Farmer leader Amra Ram wants the government to focus on procurement of foodgrain at the minimum support price (MSP). "The government has revised MSP but procurement is not happening. Farmers are down in debts and not able to recover input cost. They are under so much stress that farmers in several parts of the country are committing suicide... The government should have a clear-cut policy on procurement," he said.

He also wants the government to complete the 99 irrigation schemes it had announced.

## Too Many Players, Too Big A Fight

### India Has Too Many People Dependent On Land

% people employed in agriculture



Source: World Bank

### They Are Facing Multiple Challenges Cultivating the Land

1. Low productivity
2. Shortage of water and land
3. Deterioration of soil quality
4. Climate change
5. Price volatility

## Telangana May Not be the Right Model



SIRAJ HUSSAIN

Former agriculture secretary

In 1992, Bill Clinton's election advisor James Carville said, "It's the economy, stupid." In the run-up to general election in 2019, it might well be, "It's the politics, stupid."

It is expected that a farmers' income scheme may be announced in the next few weeks. Drawing up a direct investment support (DIS) scheme, estimated to cost ₹2.8 lakh crore (if the entire gross cropped area is covered) should have ideally been done in close consultation with states, Reserve Bank of India (RBI) and domain experts, but after losing elections in Madhya Pradesh, Chhattisgarh and Rajasthan, where is the time for such conversation?

City-dwellers may think farmers are being pampered by all parties. Some are promising to waive crop loans while others are considering interest-free credit, nominal premiums for crop insurance and a crop-neutral, no strings attached DIS model on Telangana's Rythu Bandhu. Few urban consumers will acknowledge that they are paying less than last year for several food items, including vegetables.

Farmers, on the other hand, are not able to figure out why there are so few buyers for several crops and prices are down from 2018 and 2017. Experts attribute this to higher production, collapse in demand, demonetisation and a global downturn in commodity prices. Though unorganised, farmers have been protesting against declining incomes with massive rallies.

Meanwhile, the media has led politicians to believe DIS will ensure electoral victory. Instead of thinking long-term, preparing a region-wise strategy and reforming the gamut of food, inputs, water and electricity subsidies, a uniform DIS is being considered a panacea for agriculture's ills.

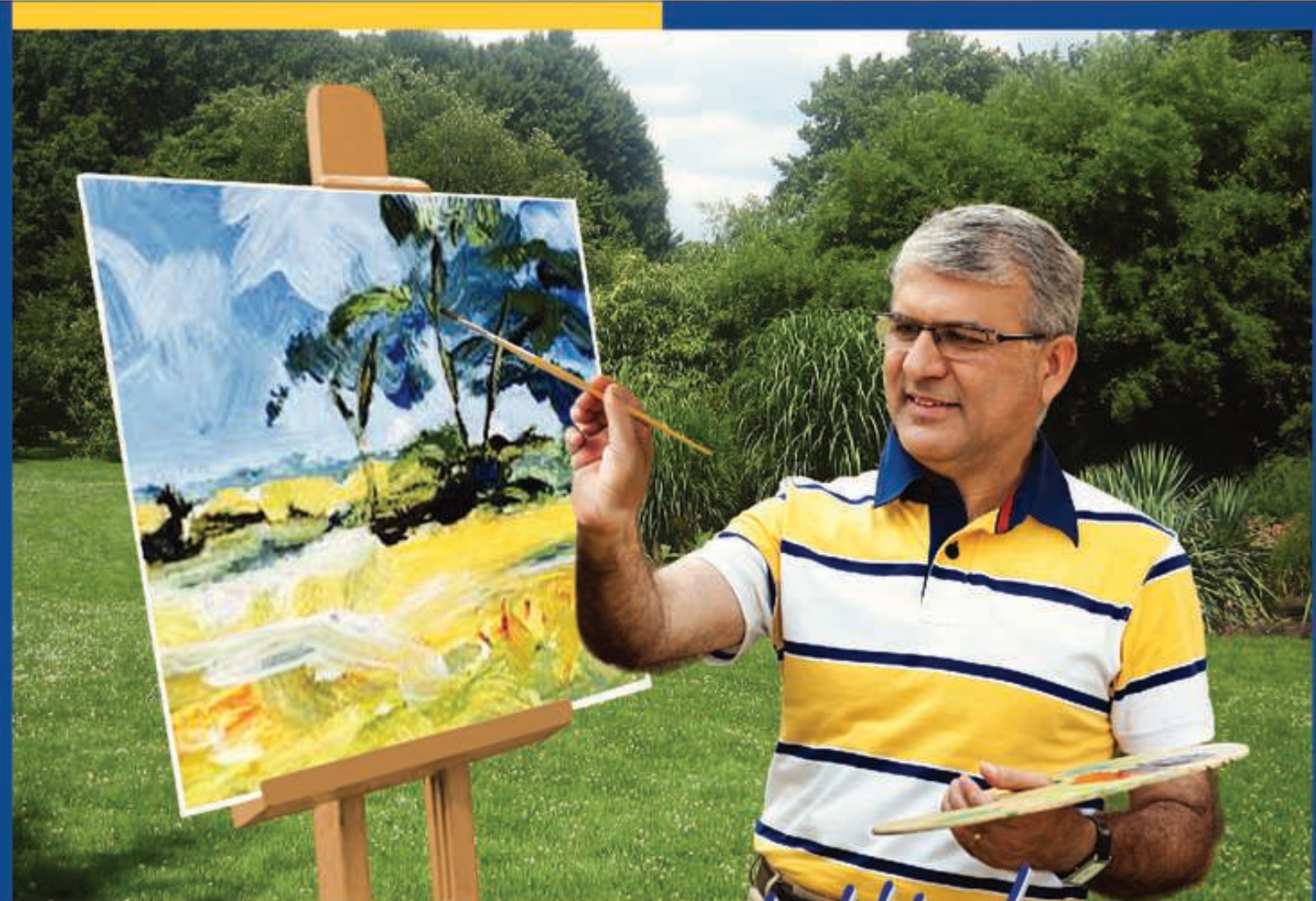
This can only have short-term impact. A nationwide DIS cannot be implemented by the Centre alone. States maintain a record of agricultural land, without which a DIS cannot be implemented. It's not possible to correct land records to reflect current ownership in a few months, so DIS can only be an election promise.

It would be simplistic to assume that DIS alone won Telangana for the Telangana Rashtra Samithi. The state worked on DIS for over six months and a massive land re-

**ANATIONWIDE INCOME SUPPORT SCHEME IS CONSIDERED A PANACEA FOR AGRICULTURE'S ILLS BUT IT CAN ONLY HAVE SHORT-TERM IMPACT**

cord updation programme was undertaken in mission mode. Agriculture officers organised the first round, verifying ownership documents at meetings in villages. In the second round, the records were checked by revenue staff and change of ownership was recorded. Disputed cases were identified for early resolution through revenue courts.

Moreover, it is forgotten that Telangana had also waived farm loans of ₹16,124 crore in 2014-18. A promise for another round of debt forgiveness is on the table. The state also announced free electricity for agriculture for 24 hours, which may cost ₹4,984 crore per annum.



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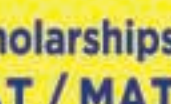
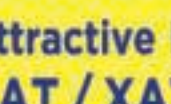
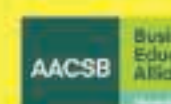
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