

Agriculture 2022: will the dream come true?

After two consecutive years of drought, in 2014-15 and 2015-16, farmers of many crops were hit by low market prices in several states in 2016-17. In view of widespread discontent, there is a sense of urgency about addressing their issues. Therefore, the conference organized by the ministry of agriculture and farmers welfare on 19-20 February 2018 to prepare a strategy for doubling farm income by 2022 has rightly generated enormous media attention. Though we do not know the exact recommendations made by the seven groups on subjects concerning agriculture, Prime Minister Narendra Modi rightly emphasized four ideas: reducing the cost of inputs, ensuring remunerative prices, reducing wastage at the farm level and creating alternative sources of income.

Agriculture is subject to a lot of uncertainties, ranging from rainfall and pest attacks to market prices. Even within states, there is enormous variation in agro-climatic conditions, extent of irrigation, penetration of roads, proximity to markets, and availability of credit through banking infrastructure. In Uttar Pradesh (UP), for example, western UP farmers have access to irrigation and banking infrastructure and are close to a large market in the National Capital Region. They grow sugar cane, rice and wheat, for which they are assured a fair price as almost the entire production of sugar cane is bought by sugar mills and rice and wheat are procured by the government. Despite the delay in payment of sugar cane sold to sugar mills, farmers continue with sugar cane as they are assured of a fair price. The agriculture in seven districts of Bundelkhand in UP, however, is mostly unirrigated, farmers have smaller holdings, and do not have easy access to a large consuming market.

The requirements of Punjab's agriculture may have little in common with agriculture in Maharashtra or Bihar. Therefore, the strategy for doubling farmer incomes will differ from state to state, and from one region to another even within a state. The annual income of a farm household in Punjab in 2013 (70th-round National Sample Survey) was Rs2,17,450 while in Bihar it was only Rs44,172. It is clear that doubling farmer incomes in Punjab is not only much more difficult but will also require a completely different strategy than in Bihar.

Due to repeated announcements of the government's intention to double farmer incomes by 2022, expectations have gone up everywhere, without any realistic assessment of what is possible in the short term in each state. Therefore, as we move closer to 2022, this subject will be even more hotly debated. In March 2015, the government had set up a task force under Arvind Panagariya, which submitted its report that year itself, but the report has not been made public. Based on this report, NITI Aayog member Ramesh Chand published, in December 2015, a paper, *Raising Agricultural Productivity And Making Farming Remunerative For Farmers*, in which several useful recommendations were made. The NITI Aayog also set up a similar task force for states and did prepare reports in which state-specific recommendations were made. Here we examine action taken on three major recommendations.

The very first point in the paper was the wasteful use of water for irrigation. The micro-irrigation fund of Rs5,000 crore announced in the 2017 budget has not yet taken off and wasteful practices in the use of water continue in most areas, especially in the northern states. Even in Punjab, we do not see any action on the emerging water crisis. Several ideas put forward by experts continue to be discussed in conferences but state and centre have not taken a single decision which would make a real difference to the wasteful use of water. Not learning anything from Punjab's water crisis, Telangana has recently announced free electricity for farmers. Israeli agriculture experts visiting India express amazement at our lack of a sense of emergency towards the emerging water crisis in India's food bowl.

The task force recommended that a model land leasing law be prepared by NITI Aayog. An expert committee on land leasing submitted its report to the NITI Aayog in March 2016. A model law has since been circulated to states but they seem to have ignored it and we do not hear much about it from the Union ministry of rural development, which deals with the subject of land leasing.

Another important recommendation made by the task force was to consider price deficiency payment (PDP) to ensure that farmers receive remunerative prices. This has been tried in Madhya Pradesh (MP) in kharif 2017 and the results have not been very encouraging. The market price of some crops, particularly *urad*, continued to be much lower than the minimum support price (MSP) in MP, yet only 42% of *urad* production was brought to the *mandis* to avail of the benefit. In his budget speech, Union finance minister Arun Jaitley has announced that NITI Aayog will examine various alternatives to ensure MSP to farmers. One hopes that the matter will be accorded the highest priority as the rabi crop is only weeks away.

Several useful and innovative ideas would surely have been recommended by the “Agriculture-2022: Doubling Farmers’ Incomes” conference. It would be a good idea to persuade at least a few states to put them into practice without waiting for the next conference. 2022 is not as distant as it sounds.

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