

## From Plate To Plough: Getting realistic about farm incomes

Prime Minister [Narendra Modi](#) is one of the best orators in Indian politics today. He is not only coherent and inspiring but connects with his audience well. He is ambitious and committed to fast-track the economy. He sets high targets and drives government machinery to achieve them. In the process, he raises aspirations and expectations of people which if not met, run the risk of hurting his own and the government's credibility.

Unrealistic promises that remain unfulfilled could hurt the PM's political capital. People could doubt his intent, his understanding of involved challenges, or the capability of his government to deliver. The case in point is his often-repeated ambition of doubling farmers' real incomes by 2022. By all means, we want to see him succeed in his ambition. However, our analysis and professional acumen informs us otherwise. We believe that farmers' real incomes cannot be doubled even by 2025. The target of achieving it by 2030 seems more plausible. In saying so, we run the risk of being unpopular but as Gandhiji once said, "It's easy to stand with the crowd. It takes courage to stand alone." And so, we gather courage to say that the ambition of doubling farmers' income by 2022 is a pipe-dream and not a serious target.

PM Modi spoke of his "dream" of doubling farmers income by 2022 for the first time in February 2016. This was repeated in successive budget speeches of the finance minister. In April 2016, the Dalwai Committee was formed; it came out with a 14-volume report to identify ways to double farmers' income from the 2015-2016 levels, in real terms, in seven years. Since there was no updated estimate of actual level of farmers' incomes in 2015-16, the Committee arrived at estimates by applying net state domestic product (NSDP) growth rates on estimated state-wise farmers' incomes of 2012-13 (from the NSSO). It found that an average Indian farmer household earned Rs 96,703 in 2015-16 (this was Rs 77,977 in 2012-13 according to the NSSO). Doubling this to Rs1,93,406 (at 2015-16 prices) by 2022-23, needed real incomes to grow at CAGR of 10.4 per cent at the all India-level, and at differentiated rates at state-level. Graph-1 compares the actually achieved growth rates in farmers' real incomes (NSSO 2002-03 to 2012-13) with growth rates required (2015-16 to 2022-23) to double farmers' income.