

AIR Spotlight - Progress in the Agriculture Sector of India

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panellists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation. In this article, a discussion on the agriculture sector of India.

Participants:

1. Harveer Singh, Agriculture Expert
2. Sanjeev Mukherjee, Journalist

Context:

In the last seven years, numerous steps have been taken by the government to improve the agriculture sector. This article will discuss them in detail.

Agriculture in India:

- Agriculture is the primary source of livelihood for about 58% of India's population.
- The share of agriculture and allied sectors in gross value added (GVA) of India at current prices stood at 17.8 % in FY20.

Background:

- The agriculture sector in India is going through a transition phase and many changes are happening in the sector. The government is taking new measures to improve the agriculture sector such as new varieties of crops, crop insurance schemes, etc.
- The focus of the government has **shifted from increasing production to increasing the income of the farmers**. This big change will definitely bring improvement in the standard of living of the farmers of the country.

Minimum support price (MSP):

The [Minimum Support Price \(MSP\)](#) has become the central theme of the government and it is doing a lot of efforts to ensure that the farmers get a fair price for their produce. Following are certain measures in this direction:

MSP for 23 crops:

- The Minimum Support Price or the MSP is commonly known as a way of protecting the farmers in India from the uncertainties of the markets as well as those of the natural kind.

- At present, the Centre provides the MSP for 23 crops. These include cereals such as bajra, wheat, maize, paddy, barley, ragi and jowar; pulses like tur, chana, masur, urad and moong; oilseeds such as safflower, mustard, niger seed, soyabean, groundnut, sesame and sunflower. The MSP also covers commercial crops of raw jute, cotton, copra and sugarcane.

PM-AASHA:

- Pradhan Mantri Annadata Aay Sanrakshana Abhiyan ([PM-AASHA](#)) is an umbrella scheme to ensure Minimum Support Price (MSP) to farmers.
- It comprises the erstwhile Price Support Scheme (PSS) with certain modifications and integration of new schemes like the Price Deficiency Payment Scheme (PDPS) and a pilot of Private Procurement and Stockist Scheme (PPSS).
- Under PM-AASHA, States/UTs are offered to choose between PSS and PDPS in a given procurement season with respect to particular oilseeds crop for the entire State. Pulses and Copra are procured under PSS. Only one scheme i.e. PSS or PDPS may be made operational in one State with respect to one commodity.
- Further, states have the option to roll out PPSS on a pilot basis in districts/selected [APMCs](#) of districts involving the participation of private stockists for oilseeds.
- Further, wheat, paddy and coarse grains are procured under the existing schemes of the Department of Food and Public Distribution and Cotton is procured under the existing schemes of the Ministry of Textiles.
 - It is helping farmers in getting increased MSP which provides adequate returns over the cost of production.

Market Intervention Scheme:

- The Market Intervention Scheme (MIS) is an ad-hoc scheme under which are included horticultural commodities and other agricultural commodities which are perishable in nature and which are not covered under the minimum support price scheme.
- In order to protect the growers of these horticultural/agricultural commodities from making distress sales in the event of bumper crops during the peak arrival period when prices fall to very low levels, the Government implements M.I.S. for a particular commodity on the request of the State Government concerned.
- Losses suffered are shared on a 50:50 basis between the Central Government and the State.

Procurement of crops:

- The procurement of wheat, rice and pulses have gone tremendously high in the last few years. It means that the farmers are getting the price that is being announced by the central government under the MSP scheme.

- The role of state governments is also very important in the case of cereal crops as well as in the case of pulses and oilseeds.

Subsidies in India:

- Fertilizer subsidy is the major subsidy in India. Food subsidy is another subsidy that is not directly given to farmers but the poor section of the society is largely covered under this subsidy in which food grains are provided to the society at a very low price or sometimes free also.
- Some states also give power subsidies and irrigation subsidies to the farmers and the government has also opened the window for farmers to get subsidized loans.
- Subsidies in agriculture are a global phenomenon. According to the [World Trade Organization \(WTO\)](#), the threshold is generally 5% of the value of agricultural production for developed countries, 10% for most developing countries like India.
- The developed countries are giving huge subsidies to their farmers under the Green Box approach of the WTO so, India cannot leave its farmers in the international market without any subsidy.
- Therefore, there is a need to relook this issue and take certain measures to resolve it.

Also read: [WTO Agreement on Agriculture \(AoA\)](#)

Agriculture Export:

- India needs to increase the production for the export basket in the international market.
- Farmers should be encouraged to produce the kind of products that make the Indian exports more competitive.
- The marketing efforts cannot only be done by the government, farmers should come together with their farmer producers organizations, cooperatives or their producer companies so that their bargaining power goes up in terms of buying inputs as well as selling the output.
- We have examples of dairy farmers, fisheries, etc. who are doing very well and farmers have to replicate that kind of experiment in different areas. This will help in doubling the income of the farmers.

Climate change and agriculture:

- Climate change is a direct threat to the agriculture sector. Any change in temperature brings a huge difference in crop production and productivity.
- India should work on developing those types of crops that are resilient to climate shocks and at the same time diversification of crops will be possible.

Measures to be taken:

- A national plan is required for cropping patterns that should be based on the region, agro-climatic conditions, etc.
- Some states still produce cereals only and in some states, the procurement of cereals is very high. It implies that we have a surplus in terms of cereals so, there should be diversification in the agriculture production of India.
- Half of the requirement of India for edible oil is dependent on imports. Hence, if we focus on diversification of cropping patterns then the money saved from import bills can be utilized for improving the soil health and water conservation, and it will reduce the prices of edible oil for consumers in the domestic market.
- India needs a collaborative approach where all stakeholders in agriculture should come forward and bring reforms in the agriculture sector.
- Instead of having a universal kind of scheme that everybody will get a certain amount every year or every quarter, it is better to link it with production or to diversification.
- There should be a mix of direct income support to farmers, MSP as well as incentive schemes for farmers who want to diversify their cropping patterns because one single formula is not sufficient for the agriculture sector.

Conclusion:

- India has come a long way in terms of developing the agriculture sector and by taking all the issues mentioned above into consideration, India will achieve milestones in the agriculture sector.
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