A Visionary Agricultural Policy

What is the issue?

- Agricultural security is inevitable to India given the overwhelming population and the share of population dependent on agriculture for livelihood.
- So having a visionary agricultural policy document in place is crucial for India.

What are the new changes needed?

- **Central list** - Agriculture remains a State subject, but today's is a globally connected agricultural situation.
- So states cannot be expected to develop strategies that optimise returns at the national level as well as ensure farmers welfare in their States.
- Agriculture thus has to be brought under the Concurrent List.
- An agricultural council, on the lines of the GST Council, should be formed.
- **Demand dynamics** - Indian agriculture is moving from a production-driven enterprise to a demand-driven one.
- It is, therefore, important to understand the demand-side dynamics of agriculture.
- This can be done by involving the end-user industries in planning agricultural production, crop portfolio and supportive policies.

What all should the policy's objectives be?

- **Productivity** - India has to increase its agricultural yields, and this cannot be denied citing the fact of sufficient food stock present now.
- This is because, farm yields in India are quite low compared with those in other countries.
- Also, climate change is going to impact agricultural productivity and yields may go down by 20-30%.
- Increasing the productivity of land is critical in a situation where the demand on land for non-agricultural purposes is growing rapidly.
- Ensuring good price realisation for the farmer is a separate subject and it should not be confused with the need for increasing yields.
- **Agri-practices** - India's seed quality and agronomic practices should be improved using new technologies.
- Making crops tolerant to biotic and abiotic stresses by using modern plant

breeding methods and biotechnology is of utmost importance.
- Also, using digital and satellite technologies for precision farming is critical.
- Farm mechanisation is to be promoted to overcome impending labour shortage.
- **Profitability** - The solution to farmers' distress lies in improving profitability, which is intrinsically linked to price discovery.
- Suppressing farm-gate prices (price at the farm, excluding any transport or delivery charge) may keep the urban consumers happy for some time but it is not a long-term solution.
- Farm-gate prices should not be raised through artificial interventions by the government but by connecting farmers to markets through electronic platforms.
- Also, amending the APMC Act by all the States quickly should be high on the agenda.
- The Essential Commodities Act must be abolished, to allow private trade to make large-scale purchase of agricultural commodities from farmers.
- India's import and export policies should be predictable and should take into account the various factors at play.
- **Technology** - There is a need to set up an Agricultural Technology Mission.
- This is to create appropriate strategies and policy framework to bring about a comprehensive technology solution for the agricultural problems.
- There has to be a 360-degree view of the situation and plans for modernisation of the agriculture and food production systems.
- **Crop choice** - India's crop portfolio has to undergo a change to optimise water, to meet emerging demand patterns and improve price realisations for farmers.
- Developing climate-resilient crops is the need of the hour given the rising climate change-related risks.
- Farmers should be advised to grow the right crops based on demand dynamics, international stocks/prices and other such considerations.
- Farmers have to be given directional price forecasts at the time of planting crops.
- Besides, it is important to create an apex body at the national level to carry out necessary modelling to achieve optimum results on this front.
- **Rural infrastructure** - Allocation of budgets for construction of roads, silo-based warehouses and cold storages closer to villages is essential.
- Also, a farm energy policy that plans to gradually bring renewables like solar, wind and farm-waste into the energy mix is needed.
- **Digital entrepreneurs** - A scheme to create a network of digital entrepreneurs in villages should be launched.
- This is to capture farmers' data and connect them to digital markets to buy

and sell.
- This data can be used by insurance companies and others to offer services and products to farmers.
- **Off-farm enterprises** - The policy should contain a scheme to help rural families take up off-farm enterprises to boost their income.
- This should be supported by a suitable programme to help entrepreneurs aggregate such products and sell them in the target markets.
- This will create a sustainable business model to strengthen rural incomes.
- **Access to credit** - Banks find it hard to lend to farmers due to high operational costs and NPAs.
- This forces farmers into debt trap due to the high rates charged by private moneylenders.
- The government should provide guarantees to the banks for loans given to farmers, so that the banks can lend without fear.
- Digitising the process of giving crop loans based on digitised land records will help banks manage the sheer size of agricultural operations.
- This will help in quick and timely processing of applications and releasing money into farmers' bank accounts.
- **Insurance** - Lack of data on yield losses is a major constraint in providing insurance services to crops.
- A special product that provides insurance cover to the extent of investments made in case of crop failure and natural disasters needs to be introduced.

Source: BusinessLine

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