Challenges in addressing agrarian distress

What is the issue?

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- Union government has increased its budgetary outlays to address farmer distress.
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- Instead, comprehensive plans are needed to rescue Farmer from crop failures.
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What are the challenges in addressing agrarian distress?

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- **MSP -**In the last few years, the government has been giving MSP above 50% based on cost A2+FL, which is to be continued as per this Budget.
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- But farmers, for many years, have been demanding that the raise in MSP be based on C2 instead. Click here to know more
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- Also, little attention has been paid towards altering the ongoing 'high input cost and low output price' regime.
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- **Agri marketing -** In recent budget a corpus of Rs. 2,000 crore has been allocated in the name of the Agri-Market Infrastructure Fund for developing and upgrading marketing infrastructure.
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- The real challenges are to ascertain the priority of the respective States towards it and ways to accelerate its pace.
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- **Operation Green -** This is an interrelated initiative with an outlay of Rs. 500 crore to address the challenge of price volatility of perishable commodities.
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- There is a challenge before the government in bringing various programmes under one roof, perhaps within the Agricultural Produce and Livestock

Market Committee.
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- **Sustainable Irrigation -**Union government under PMKSY planned to take up 96 districts deprived of irrigation by which government will enable farmers to install solar water pumps to irrigate fields.
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- It is ironic that the government aims to install more tube wells while being worried about depleting groundwater.
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What innovative solutions need to be roped in?

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- **Price deficiency mechanism** - A hike in MSP should be supplemented with irrigation, and reduction in fertilizer cost.
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- The States can implement the 'price deficiency payment scheme' (difference between MSP and price received) as has been started in Haryana for some vegetables, and the BhavantarBhugtan Yojana in Madhya Pradesh for select oilseeds.
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- **Private Partnership -**The agri marketing can be taken forward through public-private partnership, which has worked successfully in other sectors.
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- It will also be important to link production centres with marketing through agri-value chains, which would require farmers to aggregate, form self-help groups, or farmer producer organisations.
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- **Irrigation -**A location-specific policy for irrigation with the identification of suitability of irrigation facilities is required to protect farmers from the adverse impacts of climate change.
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- It must be supplemented with timely completion of canal irrigation projects and timely advice on weather.
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- **Ag R&D -**More drought and pest-resistant crops are needed, along with better irrigation technology.
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- Farmers also require interventions in the seed sector to raise production and diversify to alternate crops to induce higher growth.
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- **Use of technology -**Technological interventions that update farmers about

sowing and harvesting time and extension services can help prevent misfortunes.
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Source: The Hindu

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