Concerns with Agricultural Income

What is the issue?

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- Union government has set a target of doubling the farmers' income by 2022.
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- This goal can be achieved only with structural reforms in the agricultural sector.
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What is the status of farmer's income in India?

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- Consortium of Indian Farmers Association, point out the median agricultural income as Rs.1,600/month.
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- The National Sample Survey Organisation (NSSO) data for 2012-13 had revealed that nearly two out of three farm families were unable to earn enough to meet the household expenses.
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- Nearly 80% farmers are not covered under the minimum support prices mechanism.
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- Recent discussion paper of the NITI Aayog has revealed that about 2/3rd of rural income now come from non-agricultural sources.
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What are the concerns with government's target?

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- Union government has implemented seven-point action plan to boost farm incomes.
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- It does not lay adequate emphasis on much-needed reforms in areas like input pricing, marketing output, managing land (ownership and leasing), and importing and exporting farm goods.
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- Any sort of income cannot be guaranteed through a law, especially in the case of volatile occupation like agriculture.
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- Even insurance, a time-tested tool to hedge risks, has not been wholly effective in farming.
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- Income generation is an economic issue that requires market-based solutions and it needs to be viewed in the perspective of economic distress in rural areas.
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What measures can address the agricultural income woes?

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- National Commission on Farmers, recommended that agricultural growth should be measured in terms of rise in farm income rather than increase in production.
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- The objective of this recommendation was to keep farm income in constant focus so as to help evolve income-centric policies, this needs to be implemented.
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- Scrapping Essential Commodities Act, will allows the government to put curbs on the movement and stockholding of farm products and frequently change the import and export duties.
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- Linking domestic prices with Customs tariffs will ensure so imports not becoming cheaper than the local produce.
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- Encouraging integrated farming involving agriculture's allied activities, such as horticulture, floriculture, beekeeping, poultry, piggery, fisheries, and similar others will address the concerns.
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- Agro-based industry needs to be setup in and around rural areas to provide more opportunities for employment and income for cash-starved farmers.
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Source: Business Standard

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