

## Economic Viability of Agriculture

### Why in news?

Policymakers have been striving hard to make Indian agriculture economically viable as majority of the farmers want to quit agriculture.

### What is the status of agriculture sector in India?

- **Contribution to India's GVA** - 18.3% (2022-23)
- **Population involved** - 54.6% of the total workforce (Census 2011)
- **Growth** - 3% in 2021-22 compared to 3.3% in 2020-21
- In recent years, India has also rapidly emerged as the net exporter of agricultural products.
- During 2021-22, agricultural exports reached an all-time high of US\$ 50.2 billion.



### What are the major issues faced by the farmers?

- Lack of infrastructure
- Lack of access to credit
- Lack of insurance
- Uncertain water rights and supply
- Lack of remunerative income
- Poor price discovery
- Land fragmentation
- Erratic monsoon
- Uncertain nature
- Issues with farm mechanization

### What can be done to make agriculture an economically viable one?

- **Digitalization of agriculture** - Agri start-ups have been helping in putting the 'farmer first' in supplying inputs directly through apps/call centres/channel partners.
- Farmers with smart phone can access digitalized agri-services for agri-inputs, farm advisory, and marketing of agri-produce.
- Integrated farming - Integrated farming system (IFS) is a sustainable agricultural system that integrates different components such as crop production, livestock, fish, poultry, tree, etc. that benefit each other.
- It is based on the concept that 'there is no waste' and 'waste'.
- Family labour is the most important component of IFS, which makes it commercially viable and environmentally sustainable.
- **Climate smart agriculture** - Soil position in Punjab is unhealthy as 246 kg of

fertilisers are used per hectare compared to the national average of 135 kg.

- It is imperative to shift to eco-friendly agri-inputs such as Nano Urea which is cost-effective, ease in logistics and enhances crop yields substantially.
- **Adopting best farm practices** - Though Israel does not have conducive climate for agriculture, water resources and land area, it is a major exporter of farm-produce and a global leader in agricultural technologies.
- **Co-operative principles** based on social equality, co-operation and mutual aid in generating agricultural output can be adopted from Israel.
- **Discouraging informal credit** - Besides easing access to formal credit, farmers need to be counselled on financial prudence to prevent borrowing from informal sources such as money lenders, traders and landlords.
- **Leveraging Collectives** - Convergence of SHGs, Farmers Producer Organisations (FPOs) and Co-operatives will lead to better bargaining power of farmers.
- **Development of agri-value chains** - Development of agri-export clusters may be encouraged besides managing the risks of monsoon and market.

## References

1. [The Hindu Business Line | Measures For Sustainable Agriculture](#)

