Keeping Farm Sector Afloat

What is the issue?

- The Central and state governments are providing income support for the farmers through different schemes.
- These schemes serve a purpose, but the farm sector needs a lot more.

What are some income support schemes?

- The Centre's PM-KISAN scheme provides Rs. 6,000 to farm families owning less than 5 acres of land.
- Similar to PM-KISAN, Telangana, Odisha and Andhra Pradesh have cash transfer programmes for farmers.
- The Chhattisgarh's Rajiv Gandhi Kisan Nyay Yojana aims to supplement the income of the State's rice, maize and sugarcane farmers.
- This scheme provides the farmers with Rs. 10,000 to Rs. 13,000 per acre, through direct cash transfers.

What is the problem with MSP?

- India has a Minimum Support Price (MSP) regime which works in combination with the Public Distribution System (PDS).
- This regime tries to balance the interests of the consumer and farmer.
- But the efficiency of neither MSP procurements nor the PDS is uniform across the country.
- The Centre says it fixes MSPs at 1.5 times the cost of production for farmers, but this calculation is not free of controversy.
- In 2019, several States questioned the Centre's MSP calculations.

Are these income support schemes sufficient?

- Though food is a universal necessity, those who produce it suffer at the bottom of the economic pyramid.
- These income support schemes target land owners, and bypass tenants and labourers.
- In Chhattisgarh, there is evidence that tenants managed better rates from owners last year after the government gave incentives above MSPs to farmers.
- The State is now designing a cash transfer scheme for landless labourers.

- But these interventions are only palliative and cannot address the underlying problem, which is the non-remunerative nature of farming.

What was the solution proposed?

- A more market-driven approach has often been proposed as the solution.
- The agriculture-related components in the Centre's response to the economic crisis caused by the pandemic appear to toe that line.
- However, many previous arguments about the agriculture economy have been rendered questionable by the pandemic.

What is the crisis in the US?

- The food supply chain in the U.S. was considered supremely efficient.
- But it ended up with wasted produce and unmet demand as the pandemic erupted.

What could be done?

- India's agricultural management must consider fresh learning from the pandemic.
- It should also learn from the vulnerabilities arising out of supply chain-dependent food security.
- The list of pre-existing morbidities in the agriculture sector is also long.
- This list includes messy land records, unsustainable crop patterns, inadequate irrigation, adoption of technology, etc.,
- For now, the Centre must announce the MSPs for the current season at the earliest. [Late announcements have added to the uncertainties for the farmers in recent years]
- The creation of a buoyant agriculture sector will take much more, and those efforts must be made on a war-footing.

Source: The Hindu

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