Multiple Facets of the Agrarian Distress

What is the issue?

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- While agrarian distress is already running high, the Economic Survey (2017-18) has forecasted a further dip in farmer incomes.
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- Hence, a focused policy framework is needed to reverse these trends.
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What are the climate related aspects?

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- Based on analysis of climatic trends, the Survey has concluded that agricultural incomes could dip in the medium run by 15-18% on average.
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- More significantly, the number is touted to be as high as 20-25% in unirrigated areas, which comprises almost over half of the Indian farmland.
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- But efforts to promote climate-resilient agriculture have been lax.
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- The Survey has hence stressed the need for mitigating this vulnerability through the rapid extension of climate resilient technologies.
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- Hence, efficient drip and sprinkler irrigation technologies and replacing untargeted subsidies in power and fertilisers have been emphasised.
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What are the other aspects?

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- Unabated shrinking of land holdings due to partitioning and persistent degradation of vital resources (such as land and water) is a major problem.

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- Lack of adequate diversification of farming towards high-value agriculture, and the rural youths' disinterest in farming are also important factors.
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- Effects of these factors on the performance of agriculture are already discernible as gross agri-GDP has remained almost static in the past 4 years.
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- While the Survey seeks to hold two consecutive poor monsoons in 2014 and 2015 as partly responsible for this, the reality is otherwise.
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- Notably, rural distress was more pronounced in the subsequent couple of years (2016 and 17), which were years of bumper harvests.
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- This points the finger at misguided government policies concerning agricultural pricing, for the worsening plight in the farm sector.
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What are the pricing flaws?

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- Price management policies have largely focused on containing food inflation for the benefit of consumers than in safeguarding farmers.
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- The need, therefore, is to strike a fine balance between the interests of consumers and producers by developing better farm marketing systems.
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- This requires addressing the existing inefficiencies and deficiencies of the markets run by the Agricultural Produce Marketing Committee (APMC).
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- The dominance of intermediaries and cartels in agricultural trade needs to be restrained to give way to fair, transparent and competitive marketing.
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How does the future look?

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- The government has committed to double farmer incomes by 2022, but the sector's projected growth of 2.1% doesn't seem coherent with this.
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- Hence, the sector's growth needs to be several times higher and the survey

has done well to counsel the government to diversify income generating avenues.
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- Mitigating production as well price risks by incorporating allied sectors like livestock and fisheries in farming systems is hence needed.
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- Equally imperative is the need for greater deployment of science and technology in agriculture, which requires substantial investments.
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- Hence, avenues for bringing in these investments needs to be created.
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Source: Business Standard

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