

Reviving Agriculture - Need for Holistic View

What is the issue?

\n\n

Farmers in States like Tamil Nadu, Madhya Pradesh, Maharashtra and Karnataka are now demanding loan waiver.

\n\n

How far is it justified?

\n\n

\n

- Writing off farm loans is an incentive that **neither helps build capacity among growers nor improves the efficiency** of farm activities.

\n

- Usually, receiving such an incentive becomes habit-forming and promotes a tendency to treat farm loans as a grant rather than as a debt.

\n

- Having said this, under Indian farm conditions, farmers are greater risk-takers, much more than industrialists.

\n

- In most parts of the world, especially in developed economies, agriculture is almost invariably subsidised.

\n

- But, in our country, **agriculture enjoys little subsidy** and often, **suffers negative subsidy** in the form of various restrictions.

\n

- In Tamil Nadu, Karnataka and parts of Maharashtra, **inadequate rains, and lower prices** have weakened farmers' capacity to repay loans.

\n

- The same cannot be said to be the case in Madhya Pradesh where agriculture is a success story of recent years. Thus, the status of farmers differs across the country.

\n

\n\n

What could be the solution?

\n\n

\n

- **Short-term measure** - Instead of writing off loans, rescheduling or restructuring them should be explored.

\n

- This is particularly important in States that have suffered natural calamities, such as poor rainfall.

\n

- **Medium-to-long-term measure** - It is vital to step up policy support, investment support and research support for agriculture.

\n

- Some of the important steps to revive agriculture include:\n

\n

- Strengthening the input delivery system.

\n

- Rapidly expanding irrigation facilities.

\n

- Investing farming with multiple technologies.

\n

- Investing in rural infrastructure.

\n

- Using ICT to deliver price, market and weather information to growers.

\n

- And lastly, work to build capacity among farmers to withstand market volatility as integration with the global market grows.

\n

\n

\n

- All anti-farmer restrictions such as those on storage, marketing and export trade should be done away with.

\n

- Low prices of pulses and oilseeds cannot be treated as isolated incidents. They represent a trend that cannot be overlooked.

\n

\n\n

\n\n

Source: Business Line

\n



SHANKAR
IAS PARLIAMENT
Information is Empowering