Significance of Commercial Crops to Farmers

Why in news?

India should optimise the potential of commercial crops to provide income security to the farmers.

What are cash crops?

- Cash crops are agricultural crops that are planted for the *purpose of selling on the market or for export to make profit.*
- It is also called as ***commercial farming.***
    - Examples -Cotton, Jute, Sugarcane, Tobacco, Tea, Coffee, Arecanut, Oilpalm, Rubber etc.,
- It is distinguished from subsistence crops planted for the purpose of self-supply of the farmer (like livestock feeding or food for the family).
- The major determinants of export of cash crops is comparative advantage, geographical proximity, natural resources, and trade barriers.

Agriculture contributes to 17-18% of GDP but employs more than 50% of Indian workforce.

What is the status of commercial crops in India?

Cash Crops	Leading Producer	India's Rank
Cotton	China	Second
Jute	India	First
Sugarcane	Brazil	Second
Tobacco	China	Second
Chilli	India, China, Ethiopia	First
Turmeric	India, China, Myanmar	First
Tea	China, India, Sri Lanka,	Second
Coffee	Brazil, Vietnam, Colombia,	Sixth
Arecanut	India, Bangladesh, Myanmar	First
Rubber	Thailand, Indonesia	Fourth

What are the advantages of commercial crops?

- Proven to raise affordable food in high quantities.
- Will increase the contribution to agriculture GDP and promote economy growth.

- Provides livelihood to sizeable population in the country.
- Help in doubling the farmers' income due to its market demand and global scope.
- Promotes economic diversification.
- Export potential
- Scope for value addition

What are the challenges?

- **Export orientation** - The major portion of production is domestically consumed, which indicates less export orientation.
- High-value commercial crops are largely exported in raw bulk form.
- **Value addition -** There is a low level of post-harvest processing of farm produce in India.
- Indian farmers loss around 93,000 crores of rupees due to post harvest loss in 2020.
- **Trade barriers-** There are fluctuations depending on the freight prices, local demand and supply.
- **Food insecurity -** Mono cropping of a single crop each year on the same land leads to limited production of food crops.
- **Issues to Small farmers** - Cash crop farming may prove beneficial only to those farmers who have access to other necessary inputs and income.
- As per NSO survey, agricultural households owning less than two hectares of land is 89.4%.

STEPS TAKEN TO PROMOTE COMMERCIAL FARMING
• **Pradhan Mantri Fasal Bima Yojana (PMFBY) -** It is a government sponsored crop insurance scheme that was launched in 2016. • **National Edible Oil Mission-Oil Palm (NMEO-OP)-** It was launched in 2021 for a period of 5 years for self-reliance in edible oil. • **Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)-**It is a subcomponent under the scheme of Integrated Cold Chain and Value Addition Infrastructure. • It aims to reduce post harvest losses of horticulture and non horticulture produce and providing remunerative price to farmers for their produce. • **National Food Security Mission (NFSM)-** It has sub components such as NFSM-Oilseeds, NFSM-Oil palm, NFSM- Tree Borne Oilseeds, NFSM-Commercial Crops etc. • **Institutional support-** Support is provided through institutions such as - Central Institute of Cotton Research - Nagpur - Central Tobacco Research Institute - Andhra Pradesh - Coconut Development Board – Kerala • **Fair Remunerative Price-**It is the minimum price at which rate of sugarcane is to be purchased by sugar mills from farmers. • **Minimum Support Price-**It is the minimum, fixed and guaranteed price below which the price of commodities cannot fall, it is provided for cash crops like cotton, jute etc., • **Agricultural & Processed Food Products Export Development Authority-** It is established to promote the export of agricultural commodities and processed food products. • **Custom hiring centres-** It is aimed at enhancing the reach of farm mechanization to marginal and small farmers.

What can be done to promote commercial crops?

- **Promote research**- There is a need for research and technological interventions to

tap the untapped potential in commercial crops.

- **Improve yields-**Productivity reflects efficiency level which depends on various factors such as agro climatic conditions, extension services, genetic potential of seed etc.
- **Capitalising on GI**-India can increase its exports by leveraging Geographical Indication (GI) certification of commercial crops.
    - For example, WHO approves the turmeric produced in Erode as a natural food colouring agent due to its high curcumin content.
- **Focus on value addition-** For better value addition, farmer producer organisations, primary agricultural cooperative societies, self-help groups, etc., can receive financial assistance under Agriculture Infrastructure Fund of the government.
- **Development of agri-export clusters-**Indian farmers may be encouraged to tap overseas markets in order to obtain remunerative prices through agri-export clusters.
- **Technology intervention-**There is a need for development of artificial intelligence based marketing system to expand our export basket in commercial crops.
- **Compliance with international standards-** On the supply side, the number and spatial distribution of quality certification agencies may be enhanced.
- On the demand side, exporters of cash crops should develop strong networks with importers, apart from participating in international exhibitions.
- **Risk management** - Location-specific crop research and farm advisory services may be extended mainly to small and marginal farmers apart from development of structured banking and financial products.
- **Development of right ecosystem-** Institutions like *National Commodity Boards, Indian Council of Agricultural Research, and Exim Bank* need to foster and create linkages for development of right ecosystem for accelerating export of commercial crops.
- Encourage private investment and research grants to promote commercial crops.

Quick facts

Board	Headquarters
Tobacco Board	Guntur, Andhra Pradesh
Tea Board	Kolkata, West Bengal
Coffee Board	Bangalore, Karnataka
Rubber Board	Kottayam, Kerala
Spices Board	Kochi, Kerala

References

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2. ICAR| Status of commercial crops
3. PIB| Schemes to promote commercial crops



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