

Agricultural growth has to be export driven for doubling farmers' income

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*India's agricultural exports have fallen to USD 33.87 billion in 2016-17 as compared to USD 43.23 billion in 2013-14.
Rajesh Aggarwal writes on how an export driven agricultural growth can double the farmers' income*

The value of agriculture products in overall exports from India in percentage terms has been on the fall for decades now. Agricultural exports accounted for 44 percent of total exports in 1960 falling to about 31 percent in 1980 and further to 15 percent in 1993. More recently, agricultural exports have fallen in absolute term also. It fell to USD 33.87 billion in 2016-17 as compared to USD 43.23 billion in 2013-14. In exports of certain agricultural produce, for example, rice, we are behind even Thailand and Vietnam.

If the income of the farmers has to be doubled, the agricultural growth in the country has to be export driven. There is considerable merit in exporting all that is not consumed in India and let the farmers earn higher income for the same. Some farmers have started growing an exporting flowers and allied products and have found good number of buyers in the USA, Japan and Germany. Similarly, our fruits are being bought by Netherlands and Japan, mangoes and grapes by Belgium, Saudi Arabia and some others. The farmers of these agriculture products have not only been able to get better income for themselves but have also helped the government in getting the relevant foreign exchange.

The Indian farmers have to move up the value chain to and give something extra to the world. For example, India was exporting cotton to the world in the 1950s but started making yarns, fabric and even readymade garments and started exporting them, earning a higher income for the people engaged in such business. It is a clear case of value addition and the resultant benefits accruing to the people. The textile exports have been in the region of USD in the recent years 40-45 billion. It employees about 65 million people. Clearly, there has been direct benefits' accruing to the people engaged in such activities.

Another such sector is food processing industry. The food processing industry, which currently accounts for about 32 percent of the total food market, has an excellent chance to do well in terms of exports. India has huge produce of fruits and vegetables but, according to conservative estimate, about 40 percent of it gets wasted due to lack of cold storage facilities and other

infrastructural bottlenecks. In the Union Budget 2017-18, the government has announced setting up a dairy processing infrastructure fund worth Rs 8,000 crore. All these make India an ideal hub for food exports of processed food and preserves. If this industry does well, there will be direct benefit to the farmers as they will be able to get better prices for their fruits and vegetables produce.

There is opportunity even for landless farmers. Milk production does not require the farmer to own land and can manage with very little or no land. Farmers engaged in milk production have been able to increase their incomes in the last couple of decades or so. India continues to be the largest milk producer in the world for the past 15 years and stood at 164 million tonnes in 2016-17. There are significant opportunities in exports of dairy exports from the country and the current levels of 30,000-35,000 tonnes annually of dairy exports can be increased significantly.

For agriculture to be export oriented there needs to be sufficient data and information that is to be made available to the farmers in terms of which are the main markets globally or which produce. They then have to be given better seeds and know-how in order to grow that crop a harvest it successfully. The need of the hour is advanced technologies that are cost effective and suitable for Indian conditions. Even the yields and seeds have to be genetically improved ones.

Then the hands of the farmers have to hold for a while to make inroads in foreign countries for their produce. In this regard, Agricultural and Processed Food Products Export Development Authority (APEDA) has achieved certain milestones, but more needs to be done and done in a holistic manner. Global linkages and marketing opportunities have to be made available to the farmers of the country. Letting them know of the right export opportunities and the procedural know-how for exports will go a long way in farmers earning a better incomes for themselves and for the nation.

Source: <https://www.ruralmarketing.in/industry/agriculture/agricultural-growth-has-to-be-export-driven-for-doubling-farmers-income>