

## **We're on track to doubling farmers' income: Ashok Dalwai**

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**How far are we from doubling the income of farmers? The target was to double the income of 2015-16 by 2022-23. In the last five years, with drop in agri-GDP, isn't the task getting more challenging?**



The DFI (doubling farmers' income) strategy timeframe is from 2016 to 2022. In the last three years, a lot of things have been done. The first is that the Doubling Farmers' Income Committee's report has been accepted by the government, and it set up what is called an empowered body with official representatives from different bodies as also some non-official members. This body is now responsible for co-ordinating with different ministries, organisations and institutions and the State governments to implement it. And that work has begun.

However, since the timeframe was limited, the committee made simultaneous recommendations to the government right from 2016 and their implementation began soon after. We have covered a lot of ground since then. How we are moving towards the goal, I can't say in quantifiable terms but I can say that we are in the right direction. All the policy orientation suggested by the DFI committee is moving accordingly. We don't have a system where farmers' income is estimated at regular intervals. The last estimate was based on a sample survey in 2012-13, which data has been taken as the base figure for the year 2015-16. So when we have the next estimate by the NSSO, we would know how we are faring, but we are confident that we are in the right direction.

**Which of the government initiatives on agriculture over the last three-four years do you think has started bearing fruit?**

DFI has three important pillars. One is increasing the total output from agriculture by realising higher productivity. The second is to ensure cost-effectiveness through efficient

use of resources. The third is to ensure remunerative prices to farmers. Now, under each of these things, many new initiatives have been taken.

Let us take the first one of increasing the output. Over the last three years, the total output of foodgrains as also horticulture and other produce has gone up substantively. For example, we were at 264 million tonnes of foodgrains in 2014-15, but 2018-19 has ended up with 291 mt. Fruits and vegetable production in 2014-15 was at 265 mt, which stands at 315 mt now. Likewise, milk, fish and all agri commodities have seen an uptrend. This is also true in pulses, which has gone up from 16.6 mt in 2015-16 to 24 mt now. So the strategy of realising higher output through productivity has been realised.

As for reducing the cost of cultivation, the two most important initiatives of this government are the soil health card and micro irrigation. Under soil health card, in cycle 1, every farmer got the card and the second cycle is well on track. Our studies show wherever the farmers followed the expert advice given on the basis of soil health cards, they benefited in terms of higher productivity and lower cost of cultivation. Now the challenge is to ensure that farmers are following the advice.

Under micro-irrigation, around 7 lakh hectares used to be covered per year on an average. Today it has risen to 1.2 million hectares a year. Micro-irrigation saves water, reduces the cost of cultivation and increases productivity. Along with micro-irrigation, we have got the neem coated urea, which reduces the amount of urea or nitrogen farmers have to use. So these are the few things that stand out.

Now coming to the third one – marketing. Though we have taken several initiatives on this front, what has already been implemented is eNAM. Already, 585 markets are onboard. Farmers are getting much better prices in these markets. And the policy framework has been re-jigged – we have got a new model marketing act, model contract farming and services act, then the government has also approved the setting up of 22,000 GrAMs (Gramin Agricultural Markets). Guidelines have been issued for it. And now the government has set up a committee of Chief Ministers to transform agriculture. One of its main agenda is to implement these model acts.

Farmers' credit volume was around 8.2 lakh crore in 2014-15. It has now gone up to 11.5 lakh crore. Then there is the PM Fasal Bima Yojana as a risk management tool and that has got fairly stabilised now. The coverage is increasing both of loanee farmers and non-loanee farmers. And PM Kisan for direct transfer of ₹6,0000 a year to farmers is another incentive. In 2015-16, the average income of a farm household was ₹98,000 based on the 2012 prices. Now, we can straight away add ₹6,000 to it. The government has also come up with PM- Maan Dhan, a pension scheme. So what you see is basket of reforms, programmes and initiatives, all targeting the farmers.

Look at MSP; it is already on the ground. For the first time, the government has adopted the principle of 50 per cent margin of profit for all crops. So what it has done is that crops that were left out – pulses, oil seeds and millets – benefited more than wheat and paddy did. The government has increased the procurement of pulses and oilseeds. Procurement of pulses last year went up to 19 per cent of the total production and oilseed production went up to 11 per cent of the total production. The total quantum procured till 2014-15

was very small, so what has been done now is more than what was cumulatively done in the last 10 years. So farmers are obviously benefiting.

**But why are we not seeing the difference at the ground level? Why is farm distress still a major concern in rural India?**

When people say that, it is more of a perception than the reality, I guess. Is there any quantifiable data to show that the income level of farmers have reduced? There is no research or survey, so I fail to understand what exactly is meant by that. We can clearly say that disbursements to farmers under all the schemes have increased. Only when a survey is done will a clear picture emerge.

**As output keeps rising, prices continue to fall. What steps are taken to ensure that farmers are not hit when commodity prices fall? Agri exports have dropped and domestic demand is also not growing much. So what is the strategy to absorb the excess production?**

For a policy to impact at the ground level, there is a certain lag period. To ensure that farmers get better prices, the terms of trade have to improve. This is done by tweaking import/export duties. Secondly, good market structure is needed for competitive pricing. Thirdly, exports should grow. The government has been focusing on all the three fronts. To boost exports, we have appointed people at our embassies in at least six countries. On the marketing side, we have promoted eNAM, adopted GrAMs (Gramin Agricultural Markets) and, more importantly, the MSP environment has improved.

*Source:* <https://www.thehindubusinessline.com/economy/agri-business/were-on-track-to-doubling-farmers-income-ashok-dalwai/article29565133.ece#>