

## **Doubling farmers' income by FY23 difficult as states delay reforms: Ramesh Chand, Niti Aayog member**

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**By Prasanta Sahu and Prabhudatta Mishra**

*Growth in agriculture gross value added (GVA) in FY22 will likely exceed the expansion seen last year on higher prices of crops and anticipated normal and well-distributed monsoon, according to Niti Aayog member Ramesh Chand. In an interview to FE's Prasanta Sahu and Prabhudatta Mishra, he said: "Except in the case of a few states, little or no progress is seen at state level to bring reforms in agriculture policies and system of marketing. This is a big setback to achieving the goal of doubling farmers' income by FY23." Also, Chand for the first time clarified that due to public sensitivity towards genetically modified (GM) food in the country, domestic research should focus on matching the same level of productivity through non-GM technologies as many other countries have done. Excerpts:*

**Agriculture remains a silver lining even as the economy is battered by Covid-19. With a number of states imposing lockdowns in the wake of the second wave of the pandemic, how do you see performance of agriculture sector in FY22?**

The lockdown in May will not have significant effect on agriculture because from the last week of April to middle of June, there is very little economic activity in the farm sector. On the positive side, the terms of trade for agriculture are expected to improve in FY22 as already seen from the sharp rise in domestic and international prices of many agriculture commodities. This will have a strong positive effect on acreage as well as productivity. Secondly, monsoon is predicted to be normal. Agriculture growth is likely to be better this year than in FY21 (3% as per second advance estimate).

**Will there be a change in cropping pattern, particularly for crops the demand for which slowed because of the lockdown?**

Crop pattern is expected to shift in favour of pulses and oilseeds in the kharif season as their prices relative to other crops are witnessing an increase.

**With the second wave of Covid, rural India is reported to be affected more with infections and mortality. Will there be any impact of this on kharif sowing, particularly in terms of labour availability?**

There are two types of situations in the country. One, states like Punjab and Haryana from where migrant labour working in agriculture has moved out. The second situation refers to the states in the eastern region, where migrant labourers have returned. In much of the country, there is some movement of labour from urban areas to rural areas. Lockdown has also affected non-farm rural

activities rendering such unskilled workers available to work in agriculture. Overall, issue of labour availability is not going to hit the sector.

**Given that agriculture sector has a relatively small share in GDP, if real estate workers affected by Covid also join farming, what impact will it have on livelihoods?**

Agriculture sector is the largest sector of Indian economy both in terms of output as well as employment. In FY21, share of agriculture in GDP has risen to 20%; the increase was largely due to negative growth in other sectors and normal growth in agriculture. Agriculture and construction together provide employment to 61% of rural workforce and both these activities in rural India are by and large intact. We need to take concrete measures for livelihood of migrants who have returned to their native places in rural areas and the workforce engaged in informal employment.

**Only one year left to achieve the target of doubling farmers' income. Where do we stand now?**

Better price realisation for farmers produces and diversification towards high value crops were among the seven sources identified in Niti Aayog's policy paper to achieve the goal of doubling farmers' income. These measures required policy and marketing reforms like direct marketing, contract farming, e-trading, special treatment to food and vegetables in APMC Law, private mandis, etc. Except in the case of a few states, little or no progress is seen at state level to bring reforms in agriculture policies and system of marketing. This is a big setback to achieving the goal of doubling farmers' income by FY23.

**There has not been any progress seen in allowing GM crops despite a favourable recommendations by Niti Aayog a few years back. Is there any hope?**

While GM crops provide certain advantages, some countries are having much higher yields with non-GM varieties as compared to India. Given the public sensitivity towards GM food, our research and development should harness other technology to achieve the same goals as achieved through GM crops in some countries. This is possible.

**With continuous surplus of rice and wheat production, what is the way out in food policy management as it turned out to be a huge and rising economic burden on the government to maintain and dispose of extra stocks?**

At present, India produces more rice and wheat than what is domestic demand. If we are not able to export it, then certainly we should not waste resources in producing surplus. Policy support is gradually expanding towards pulses and oilseeds. We need to bring balance in support to rice and wheat vis-a-vis other crops to attract farmers shift some area away from these cereals either towards pulses and oil seeds or towards fruits and vegetables.

**Why shifting from paddy and other water-guzzling crops, particularly in Punjab and Haryana, has not taken off?**

There is a very large difference in profitability from rice and wheat as compared to the crops considered an alternative to them. Rice and wheat earned big advantage over other crops because of technological breakthrough as well as assured and committed price support and input subsidies. At present, no field crop comes near to wheat and rice in terms of net income to farmers, even if subsidies on inputs are taken away. Also, price risk in these two crops is nil and production risk in quite low. Thus, to find a viable option, we require upgradation in technology and productivity of alternative crops along with assured pricing environment.

**Is it feasible to transfer cash subsidy on fertiliser directly to bank accounts of farmers instead of manufactures. How soon can we expect this to happen?**

Of course, it is feasible. Some groundwork has already been done by Ministry of Fertilisers in this direction. The issue facing fertiliser use in Indian agriculture has more to do with the structure of subsidy (which is biased towards urea) rather than method of giving subsidy.

**Source:** <https://www.financialexpress.com/economy/doubling-farmers-income-by-fy23-difficult-as-states-delay-reforms-ramesh-chand-niti-aayog-member/2261901/>