

Indian agriculture sector is a success story, says Survey

Our Bureau
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The country has come a long way from being a food deficit and importing country in the 1960s to being a net exporter of agricultural products, the Economic Survey said.

Stressing the need to move from basic food security to nutritional security, the Survey said that demand for pulses, millet, fruits, vegetables, milk and meat is growing faster than that of basic staples. "So, farm sector policies should align more with a 'demand-driven food system' that is more nutritious and aligned with nature's resource endowments," suggested the Survey.

Out of five policy recommendations made for the farm sector to ensure that the markets function in the interest of the farmer, the first recommendation said there is a need for not banning futures or op-



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tions at the first sign of price spikes.

INFLATION-TARGETING

The second recommendation talks about invoking export bans only under exceptional circumstances and allowing domestic consumers to substitute, especially if the agricultural commodities in question are not essential consumption

items such as foodgrains.

The Survey suggested re-examining the inflation-targeting framework by excluding food. "Higher food prices are, more often, not demand-induced but supply-induced. It is worth exploring whether India's inflation targeting framework should target the inflation rate excluding food," it said.

However, it suggested that hardships faced by poor and low-income consumers due to higher food prices should be handled through direct benefit transfers or coupons for specified purchases valid for appropriate duration.

Another idea of the Survey is to increase the net irrigated area as several States are well below the national average. It pointed out that India's irrigation efficiency is only 30-40 per cent for surface water and 50-60 per cent for groundwater.