

AGRARIAN POLICIES AND PROGRAMMES

A SOLUTION FOR STRENGTHENING RURAL INDIA

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Agriculture has been feeding entire world's population. Agriculture has been at the focal point of rural life for centuries. The rural economy was almost exclusively determined by agricultural activities at the time of India's independence. As the country moved on an economic growth path in the post-independence era and the rural economy diversified, the dominance of the agricultural sector in the overall economy has slowly declined over the years. Yet, the socio-economic structure of India can be observed from the fact that the majority of the country's population depend on agriculture for their livelihood. According to census 2011, 68.9 percent (83.3 crore) population is still rural. The agriculture sector contributed more than half the output of the Indian economy when the country embarked on its First Five-Year Plan in 1950-51. Over a period of seven decades, the share of agriculture has gradually declined to less than 15 percent. Despite its shrinking share in national income and losing dominance in rural income, the performance of the agriculture sector remains a matter of central concern to policymakers and the public at large. The main reasons for this are : (1) more than half the total workforce in the country

remains employed in this sector and it is a source of livelihood for a majority of the population; (2) the performance of agriculture is much more important than other sectors for inclusive growth and for reducing poverty (Ravallion and Datt 1996; Datt and Ravallion 1998; Virmani 2008); (3) the performance of agriculture determines the food and nutrition security of the population of the country; (4) the growth of agriculture has a significant bearing on food and overall inflation and macroeconomic stability; and (5) much of trade , commerce and industrial activities are linked to agriculture.

Agricultural Contribution in Gross Domestic Product (GDP)

The Agriculture and Allied Sector contributed approximately 13.9% of India's GDP (2004-05 prices) in 2013-14. There has been a continuous decline in the share of Agriculture and Allied Sector in the GDP from 14.6 % in 2010-11 to 13.9 % in 2013-14. Falling share of Agriculture and Allied Sectors in GDP is an expected outcome in a fast growing and structurally changing economy. The chart and table below shows the declining trend of agriculture's share in total GDP.



The crisis in the Indian agricultural sector cropped up as a result of privatization, liberalization and globalization during nineties. The major impact

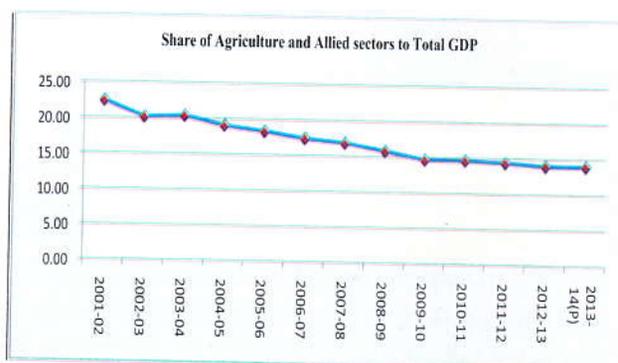


Table 1: Share of Agriculture in Total GDP at Factor Cost (2004-05 prices)

Year	Gross Domestic Product (₹ Crore)	Agriculture & Allied Sectors (₹ Crore)	Share of Agriculture and Allied Sectors to Total GDP (%)
2001-02	2474962	554157	22.39
2002-03	2570935	517559	20.13
2003-04	2775749	564391	20.33
2004-05	2971464	565427	19.03
2005-06	3253073	594487	18.27
2006-07	3564364	619190	17.37
2007-08	3896636	655080	16.81
2008-09	4158676	655689	15.77
2009-10	4516071	660987	14.64
2010-11	4918533	717814	14.59
2011-12	5247530	753832	14.37
2012-13	5482111	764510	13.95
2013-14(P)	5741791	800548	13.94

Source: Central Statistical Organisation (CSO)

of these changes was on the small farmers, the major farming community of the country. Farm saved seeds were replaced by corporate seeds which needed fertilizers and pesticides. Agriculture became a costly affair. The Indian small farmers failed to adjust with these challenges. Managing finance for the agricultural work became a difficult task. Understanding the problems that have cropped up in farming, some small farmers gave up farming and shifted to other occupations. The farmers who failed to cope up with these changes were driven to suicide in the depressed state. Emile Durkheim an authority on the study of suicide states that "in periods of rapid change, people are

abruptly thrown in to unfamiliar situations." More than one lakh small farmers in the country have given up farming since 1992. Young people do not show interest in farm work looking to the present plight of the farmers and unhealthy environment in the farm sector. The Government of India and also various State Governments have taken measures to instill the confidence among the farming community and encourage farming. Various Commissions and committees have been appointed to study and suggest measures to resolve the crisis in this sector. The Government of India has set up the National Commission on Farmers in February 2004 under the Chairmanship of well-known agricultural scientist Dr. M. S. Swaminathan. The Commission started its work with a declaration: "**Serving Farmers and Saving Farming**". The National Commission for Farmers is formed with the objective to prepare the road map for sustainable development of agriculture and optimizing its contribution to growth and development of economy, particularly improving the income and standard of living of farmers. The commission has the power to recommend policies, programmes and measures for accelerated and diversified agricultural development, to alleviate rural poverty and impart viability and attractiveness to farming as a remunerative and rewarding profession. The Union and the State Governments formulate policies from time to time to articulate clear vision on few basic parameters of agricultural sector. To achieve self sufficiency and food security in the agriculture sector of the country, the national policy is devised under the chairmanship of Dr. M. S. Swaminathan, Chairman, National Farmers Commission. This policy is formulated with the objective of assisting the hard working women and men in the country to ensure glorious destiny for the country in the field of agriculture and food security. For the purpose of this policy broad definition of the term 'farmers' is given. Accordingly the term "*farmers*" refers to '*both men and women, and include landless agricultural labourers, sharecroppers, tenants, small, marginal and sub-marginal cultivators, farmers with larger holdings, fishers, livestock and poultry rearers, pastoralists, small plantation farmers, as well as, rural and tribal families engaged in a wide variety of farming related occupation such as apiculture, sericulture and vermiculture. The term will include tribal families sometimes engaged in shifting cultivation and in the collection and use of non-*

timber forest products. *Farm and Home Science Graduates earning their livelihoods from crop and animal husbandry, fisheries and agro-forestry will have their rightful place in the world of farmers and farming*¹.

Government Initiatives for Farmers

Agriculture in India is varied, diversified and prone to a variety of risks. Most farmers are small and marginal ones. In most areas, agriculture is rain fed, leading to a greater degree of yield variability and risk. To prevent the risks and incidents of suicide among farming community and to instill confidence in them, the Government of India has taken various initiatives by announcing packages and insurances to the farming community:

National Policy for Farmers (NPF): The Policy announced in 2007 had provisions, including asset reforms in respect of land, water, livestock, fisheries, and bio-resources; support services and inputs like application of frontier technologies; agricultural bio-security systems; supply of good quality seeds and disease-free planting material, improving soil fertility and health, and integrated pest management systems; support services for women like crèches, child care centres, nutrition, health and training; timely, adequate, and easy reach of institutional credit at reasonable interest rates, and farmer-friendly insurance instruments; use of Information and Communication Technology (ICT) and setting up of farmers' schools to revitalize agricultural extension; effective implementation of MSP across the country, development of agricultural market infrastructure, rural non-farm employment initiatives for farm households and integrated approach for rural energy, etc. Many of these provisions are being implemented through different Government Departments and Ministries through different schemes and programmes.

An inter-ministerial committee has been constituted to monitor the progress of the Plan of Action for the implementation of the NPF.

Schemes during the 12th Five Year Plan: In order to maintain the targeted growth rate of 4% in agriculture, during the 12th Five Year Plan, to ensure focused approach and to avoid overlap, all the

¹Serving Farmers and Saving Farming, fifth and final report, 4 October 2006, Government of India, Ministry of Agriculture, National Commission on Farmers

schemes of the Department has been restructured into five Missions viz. National Food Security Mission (NFSM), Mission for Integrated Development of Horticulture (MIDH), National Mission on Oil Seeds and Oil Palm (NMOOP), National Mission for Sustainable Agriculture (NMSA) and National Mission on Agricultural Extension & Technology (NMAET); and four Central Sector Schemes viz. National Crop Insurance Programme (NCIP), Integrated Scheme on Agri-Census & Statistics (ISAC&S), Integrated Scheme of Agriculture Marketing (ISAM) and Integrated Scheme of Agriculture Cooperation (ISAC); and one State Plan Scheme viz. Rashtriya Krishi Vikas Yojana (RKVY).

National Food Security Mission (NFSM): The Mission (2007) is being sustained during 12th Five Year Plan with new target of additional production of 25 million tonnes of food grains comprising of 10 million tonnes rice, 8 million tonnes of wheat, 4 million tonnes of pulses and 3 million tonnes of coarse cereals by the end of 12th Plan and promotion of commercial crops like cotton, jute and sugarcane.

Outcome of NFSM since inception: The focused and target oriented implementation of mission initiatives has resulted in bumper production of wheat, rice and pulses in the country. During 2012-13, the production of rice, wheat and pulses has been achieved at the level of 105.24 million tonnes, 93.51 million tonnes and 18.34 million tonnes respectively. As per 4th Advance Estimates during 2013-14, the production of wheat increased from 75.81 million tonnes in 2006-07 to 95.91 million tonnes, i.e. an increase of 20.00 million tonnes. Similarly, the total production of rice increased from 93.36 million tonnes in 2006-07 to 106.54 million tonnes in 2013-14, implying an increase of nearly 13.18 million tonnes. The total production of pulses also increased from 14.20 million tonnes during 2006-07 to 19.27 million tonnes during 2013-14, showing an increase of 5 million tonnes.

Bringing Green Revolution to Eastern India (BGREI): a sub scheme of *Rashtriya Krishi Vikas Yojana (RKVY)* was initiated in 2010-11 to address the constraints limiting the productivity of "rice based cropping systems" in Eastern India comprising seven states: Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Uttar Pradesh and West Bengal. An amount of ₹ 1000 crores was allocated for each during 2012-13 to 2014-15. The programme is being implemented in

121 identified districts which are not covered under National Food Security Mission. Crop Diversification Programme in original Green Revolution states is being implemented as a sub scheme of *Rashtriya Krishi Vikas Yojana* in Punjab, Haryana and western part of Uttar Pradesh with financial allocation of ₹250 crore during 2014-15 to diversify cropping pattern from water consuming paddy to pulses, oilseeds, maize and agro forestry with the objective of tackling the problems of declining soil fertility and depleting water table in these states.

Mission for Integrated Development of Horticulture (MIDH): This mission leads to holistic development of horticulture sector by ensuring forward and backward linkage through a cluster approach with the active participation of all stake holders.

National Mission on Oil Seeds and Oil Palm (NMOOP): envisions increase in production of vegetable oils sourced from oilseeds, oil palm and tree born oilseeds from 7.06 million tonnes (average of 2007-08 to 2011-12) to 9.51 million tonnes by the end of Twelfth Plan (2016-17). The Mission is proposed to be implemented through three Mini Missions with specific target.

National Mission for Sustainable Agriculture (NMSA) is one of the eight Missions outlined under National Action Plan on Climate Change (NAPCC). The Mission aims at promoting sustainable agriculture through seventeen deliverables focusing on ten key dimensions of Indian agriculture. NMSA as a programmatic intervention made operational from 2014-15 aims at making agriculture more productive, sustainable, remunerative and climate resilient by promoting location specific integrated/composite farming systems; soil and moisture conservation measures; comprehensive soil health management; efficient water management practices and mainstreaming rain fed technologies.

National Mission on Agricultural Extension & Technology (NMAET): NMAET is being implemented during the 12th Plan with an objective to restructure and strengthen the agricultural extension machinery with a judicious mix of extensive physical outreach of personnel, enhancement in quality through domain experts and regular capacity building, interactive methods of information dissemination, Public Private Partnership, persistent & innovative use of Information & Communication Technology (ICT)/

Mass Media, Federation of groups and convergence of extension related efforts under various schemes and programmes of Government of India and the State Governments.

Under NMAET, the programme **Community Radio Stations (CRS)** would bring a major revolution in agricultural extension by expanding the reach of localised technologies to the farmers located within a radius of 20 to 50 kilometres. Presently, a total number of 58 CRSs throughout India are broadcasting agriculture programme.

The Kisan Call Centers (KCC) Scheme was launched on 21st January 2004 to provide answer to farmers' queries on agriculture and allied sectors through toll free telephone lines. A country wide common eleven digit number **1800-800-1551** has been allocated for KCC. The replies to the queries of the farming community are being given in 22 Indian languages. KCCs operate from 14 locations in the country covering all the states and UTs. Calls are attended from 6.00 am to 10.00 pm on all 7 days of a week. Since inception of the scheme till 31st December, 2014 over 186.00 lakh calls have been registered in the KCCs. During the current year around 36.04 lakh calls have been received upto 31st December, 2014. In order to make farmers aware of this facility, audio and video spots on Kisan Call Centres have been broadcast/telecast through All India Radio, Doordarshan and private television channels. A Kisan Knowledge Management System (KKMS) has been created at the backend to capture details of the farmers calling KCCs provide correct, consistent and quick replies to the queries of farmers is being developed and by putting therein validated information on agriculture and allied sectors. Modified call Escalation Matrix has also been circulated. The farmer calling KCC can also register for receiving SMSs from experts on the subject area and their providing and also for receiving regular updates on mandi price of selected mandis and crops.

National Crop Insurance Programme (NCIP): To make the Crop Insurance Schemes more farmer friendly, a restructured Central Sector Scheme in the name of 'National Crop Insurance Programme' (NCIP) was introduced from 2013-14. The existing Modified National Agricultural Insurance Scheme (MNAIS), Weather Based Crop Insurance Scheme (WBCIS) and Coconut Palm Insurance Scheme (CPIS) were merged under this programme with various

improvements and changes for implementation throughout the country. The coverage of NCIP in terms of farmers and area insured has been projected to the level of 50 percent each from the existing level of about 25 percent and 20 percent respectively by the year 2016-17 of the Twelfth Plan.

Recent Initiatives/ Policy decisions: In addition to the existing Missions/ Schemes, following four new schemes have been introduced in the year 2014-15:

- (a) **Soil Health Card Scheme**—Issuance of Soil Health Cards to every farmer of the country during the remaining three years of 12th Five Year Plan (2014-15 to 2016-17) has been approved with a total outlay of ₹ 568.54 crore. State-wise allocation has also been made for establishing 100 mobile soil testing laboratories in 2014-15.
- (b) **Pradhan Mantri Krishi Sinchai Yojana** – The Scheme is being formulated with a view to take irrigation water to each and every agricultural field in the country.
- (c) **Price Stabilization fund for Cereals and Vegetables** – Government has established a Price Stabilisation Fund of ₹500 crore in order to reduce price volatility in perishable agricultural commodities (onions, potatoes & tomatoes etc.). With the setting up of this Price Stabilisation Fund, farmers will be able to get fair price for their produce while consumer would be able to purchase the same at affordable prices.
- (d) **National Agri-tech Infrastructure:** An Agri-Tech infrastructure fund has been proposed to create a common e-marketing platform for agri-commodities in the Agriculture Produce Marketing Committees (APMCs) of the State, as a first step towards creation of a national market.

Kisan Credit Card: The scheme was introduced in 1998-99 to ensure that all eligible farmers are provided with hassle free and timely credit for their agricultural business. Kisan Credit Card Scheme for farmers is to enable the farmers to purchase agricultural inputs such as seeds, fertilisers, pesticides, etc. The Kisan Credit Card Scheme is in operation throughout the country and is implemented by commercial banks,

cooperative banks and Regional Rural Banks. Upto March, 2014; ₹ 12 crore KCCs have been issued and ₹10.35 crore KCCs are active/operational. The scheme has facilitated in augmenting credit flow for agricultural activities. The scope of the KCC has been broad-based to include term credit and consumption needs. All farmers including small farmers, marginal farmers, share croppers, oral lessee and tenant farmers are eligible to be covered under the Scheme. There is coverage of risk of KCC holders against accidental death or permanent disability upto a maximum of ₹ 50,000 and ₹25,000 respectively.

Summing Up

Thus the government is trying hard with holistic policies to help the farmers who are the most vulnerable group of the society. It cannot be denied that there are problems that need to be addressed quickly and firmly to explore the full potential of agriculture and allied sectors. Features like dependence of a large number of farmers on rains and small farm holdings, make it difficult to bring about fast transformation of agriculture. The only way to tackle them is to adopt focused strategies, and the government has already started with several concrete initiatives. These strategies have been rigorously tested in the last few years and they have succeeded in achieving a fast growth, better prices to farmers, adequate availability of food grains, and reasonable stable food prices. Acceleration of growth in this sector will not only push overall GDP, but also promote inclusive growth. Although the share of agriculture has decreased in total GDP, it has made significant advances in agricultural production in the recent decades, including the introduction of high-yield seed varieties, increased use of fertilisers and improved water management systems. Reforms to land distribution, water management and food distribution systems will further enhance productivity and help India meet its growing demand for food. So it is most important aspect that in order to improve agricultural productivity and farmers' condition in India, solid and farmer friendly schemes have been developed in the recent years.

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