



AGRICULTURE AND FARMERS' WELFARE: NEW INITIATIVES AND CHALLENGES



Dr. Mahi Pal

Finance Minister in his budget speech stressed that there is a need to think beyond 'food security' and give farmers a sense of 'income security'. In order to achieve it, government is reorienting its interventions in the farm and non-farm sectors to double the farmers' income by 2022. To achieve this, total allocation for agriculture and farmers' welfare were raised to Rs. 35,984 crore.

The Union Government has taken a number of initiatives in the area of agricultural development and farmers' welfare to boost the productivity and raise income of the farmers in the country. These initiatives may be seen in the background of low agricultural growth, a fallout of two consecutive drought years. It is also evident from the facts and figures released by Central Statistical Office (CSO) which show that the agricultural growth rate is plummeting, causing much concern among policy makers.

In fact, structural problems like- falling public investments in agriculture, rising input costs for farmers and issues in marketing agri produce might be accounted for this deceleration. Over a period of time, Indian agriculture has become cereal-centric and input-intensive, by way of consuming generous amounts of land, water and fertilizers. The challenges agriculture faces today are- how to economise the use of water, how to shift towards pulse cultivation and a unified agriculture market.

The new initiatives taken by the government are aimed at correcting this distortion. **Finance Minister in his budget speech stressed that there is a need to think beyond 'food security' and give farmers a sense of 'income security'. In order to achieve it, government is reorienting its interventions in the farm and non-farm sectors to double the farmers' income by 2022. To achieve this, total allocation for agriculture and farmers' welfare were raised to Rs. 35,984 crore.** The new initiatives taken by the present government have been designed to economise the inputs for getting more production from less.

The present paper is divided into two parts. Part-I presents the salient features of the major programmes and schemes recently announced by

the Government and in part-II of the paper, emerging challenges have been discussed. It is followed by the conclusion.

Part-I

As mentioned above, a number of programmes have been initiated and re-prioritised during last two years. These are described below-

Paramparagat Krishi Vikas Yojana

The *Paramparagat Krishi Vikas Yojana* (PKVY) is a new scheme to develop organic clusters and make available chemical free inputs to farmers, and to improve soil health in the fields, with an outlay of Rs. 300 crore. It has opened a new era for organic production system by allocating separate funds for this purpose. The PKVY will be implemented through the State Governments.

It is proposed under the scheme that groups of 50 or more farmers, having 50 acre land, would be motivated to take up organic farming under PKVY. In the next three years, it plans to target 10,000 clusters covering 5 lakh acres. To make the scheme attractive for the farmers, it is designed to provide Rs. 20,000 per acre as subsidy to every farmer in the cluster for three years towards adoption of organic farming besides market assistance.

In addition, the Government has also increased the subsidy amount for the individual farmers to promote the use of bio-fertilizers from Rs. 100 to Rs. 300 per hectare from 2014-15 under National Food Security Mission.

It is interesting to note that a special scheme with an allocation of Rs. 125 crore has been launched in North-Eastern Region for promotion of organic farming and export of organic produce.

2. Pradhan Mantri Krishi Sinchai Yojana

The *Pradhan Mantri Krishi Sinchai Yojana* (PMKSY) has been launched to ensure the water security in the country with the aim of '*Har Khet Ko Paani*' (water for each field). The Scheme is based on three pronged strategy-

- Creating sources of assured irrigation
- Per drop-more crop
- Harnessing rain water at micro level through '*jal-sanchay*' and '*jal-sinchan*'

In this way, the scheme lays stress on end-to-end solutions in irrigation supply chain which includes water sources, distribution network and farm level applications. A total of Rs 5300 crore has been allocated for the year 2015-16 to roll-out the scheme.

3. Deen Dayal Anyodaya Mission

Deen Dayal Anyodaya Mission has been announced for creation of job opportunities and durable assets to boost the rural economy in the country. Every block under drought and rural distress, will be taken up as an intensive block under the Mission. Intensive labour work will be undertaken in such blocks.

4. Soil Health Card Scheme

The Soil Health Card Scheme is now being implemented with greater vigour. Farmers will get information about nutrient level of the soil and thus will be able to make judicious use of fertilizers. The target is to cover all 14 crore farm holdings by March 2017. Under the Scheme, Rs 368 crore have been provided for National Project on Management of Soil Health and Fertility. In addition, 2,000 model retail outlets of fertilizer companies will be provided with 'soil, seeds testing facilities' during the next three years.

5. National Agriculture Market

The agricultural markets are fragmented not only among the states but even at inter-state level into different market areas, each governed by separate Marketing Committee. This poses the problems of requirement of multiple licenses for trading, levy of market fee at multiple points and other monopolistic and restrictive market practices. This not only hinders the proper market access by the farmers but also the

development of required infrastructure for handling the produce in the markets.

To overcome these problems of marketing the agricultural produce, the government has taken the initiative to set up a National Agriculture Market (NAM). For this purpose, the Department of Agriculture and Cooperation (DAC) is constantly in dialogue with states and UTs to carry out reforms in their Agri Market Laws. These reforms include doing away with the concept of market area and enforcing single license which is valid across the state, single point levy of market fee and electronic auction as a mode of price discovery.

The DAC has also taken initiative to advise the States on taking fruits and vegetables out of the preview of Agriculture Produce Marketing Committee Act (APMC Act) so that there could be alternative markets for these items. Delhi quickly acted on this advisory and SFAC, an autonomus body under DAC took the opportunity to lunch the *Kisan Mandi* in October 2014. Though they are yet to set up their physical infrastructure, they have already traded 1000 MT of fruits and vegetables in Delhi. Besides getting remunerative prices of their products, the farmers' and growers' associations can directly link with each other and with consumers in and around the Delhi.

With a view to enable a national market, it is proposed to use the Agri-Tech Infrastructure to create a centrally provided common e-platform which will be deployed in 585 regulated mandis, across the country.

6. Strengthening of Research and Extension

Various processes have been initiated for research and extension for agricultural development in the country. Some of the major initiatives have been listed below-

6.1 Strengthening of Research

Government initiated the process to establish two new Agriculture Universities in Andhra Pradesh and Rajasthan, and two new Horticulture Universities in Telangana and Haryana with initial budget of Rs. 200 crore. In order to give thrust to biotechnology in agriculture, Indian Institute of Agricultural Biotechnology is being established in Ranchi. National Research Centre on Integrated

Farming System is to be established in Bihar. National institute of High Security Animal Diseases has been established at Bhopal to address the emergence of exotic and trans-boundary animal and zoonotic diseases. Similarly, National Institute of Veterinary Epidemiology and Disease informatics has been established in Bengaluru to study the changing pattern of emerging and re-emerging animal diseases. Land resource inventorisation at 1:10,000 scale has been initiated for micro-level agricultural land use planning. A new annual award named as "Haldhar Organic Farmer Award" has been instituted to promote organic farming.

6.2 Strengthening of Agricultural Extension

Various initiatives have been taken under agricultural extension in the country, which have been summarised below-

6.2.1 Strengthening of Krishi Vigyan Kendras

The performance of *Krishi Vigyan Kendras* (KVKs) has been examined by a High Level Committee with a view to make them more relevant and progressive for agricultural development. The recommendations of the Committee include- upgradation of facilities such as soil testing, integrated farming system, improved seed production and processing, water harvesting and micro-irrigation, ensuring availability of electrical/solar power backup, regular and systematic monitoring and third party evaluation. Action has been initiated to implement the recommendations of the Committee.

Five new KVKs were opened in Baksa, Morigaon and Bongaigaon in Assam, Raigarh in Jharkhand and Banaskantha in Gujarat. Each KVK will organize pre-Kharif and pre- Rabi Kisan Sammelan with the consent and participation of local Member of Parliament

6.2.2 Mera Gaon, Mera Gaurav

This is an interesting scheme involving experts of agriculture universities and ICAR institutes for effective and deeper reach of scientific farming to villages. In this regard, around 5000 groups of four multidisciplinary scientists, would be formed and each group would be visiting nearby villages in a year during their holidays or vacations. To give further momentum to it, each year 25000 villages will be added to this list through this scheme.

6.2.3 Krishi Dak

This novel scheme has been initiated by the Indian Agriculture Research Institute (IARI) in 20 districts in which postmen supply seeds of improved varieties of crops to the farmers in far-flung areas. As the scheme is found successful, it is further being expanded in more districts in collaboration with KVKs so that improved seeds may be provided at the doorstep of the farmers living in remote areas.

6.2.3 Attracting and Retaining Youth in Agriculture

This scheme is aims to attract, train and retain the rural youth under 35 year age towards agriculture and related income generating enterprises to check the rural migration.

6.2.4. Student Rural Entrepreneurship and Awareness Development Yojana

Under Student Rural Entrepreneurship and Awareness Development Yojana, students of agricultural subjects across the country, are being networked to promote professional skills, entrepreneurship, knowledge and marketing through hands-on experiments.

7. National Gokul Mission

It is well known that the indigenous bovine breeds of India are robust and possess the genetic potential to play an important role in the economy. However, in the absence of a specific programme for development and conservation of indigenous breeds, their potentials has also not been optimally utilized and their population has been declining.

In view of the above, National Gokul Mission, a new initiatives under 'National Programme for Bovine Breeding and Dairy development' (NPBBDD) has been launched to conserve and develop indigenous bovine breeds in a focused and scientific manner with an outlay of Rs. 500 crore. For this purpose, integrated cattle development centres named as 'Gokul Grams' will be developed. The *Gokul Grams* will be established in the native breeding tracks and near metropolitan cities for housing the urban-cattle. *Gokul Grams* which will act as Centre for Development of Indigenous Breeds and a dependable source for supply of high genetic breeding stock. Under the scheme 25 projects from 24 states have been approved.

9. Atal Pension Yojana

Under *Atal Pension Yojana* (APY), farmers who have opened their bank account under the *Jan-Dhan Yojana*, can get benefits of monthly pension. Salient features of the APY are given below-

The Scheme is applicable for citizens between the age group of 18 and 40 years.

The Government of India will pay 50 per cent of the premium subject to an upper limit of Rs. 1,000 per year, and remaining 50 per cent would be borne by the farmer.

On attaining the age of 60 years, the beneficiary farmers would get a monthly pension ranging from Rs. 1,000 to Rs. 5000, depending upon their contributions.

In order to get monthly pension between Rs. 1,000 and Rs. 5,000 per month, the subscriber has to contribute on monthly basis between Rs. 42 and Rs. 210, if he or she joins at the age of 18 years. For the same fixed pension levels, the contribution would range between Rs. 291 and Rs. 1,454 if the subscriber joins at the age of 40 years.

10. Pradhan Mantri Fasal Bima Yojana

A new crop insurance scheme named as *Pradhan Mantri Fasal Bima Yojana* (PMFBY) has been launched from *Kharif*-2016 season in place of existing National Crop Insurance Scheme, which had some shortcomings like- high premium for the farmers, reduced claims due to capping in premium, delay in payment of claims, its complex provisions, etc. Main features of PMFBY are as follow-

- The maximum limit of the farmers' share of premium as token premium is capped at 2 per cent for *kharif* crops, 1.5 per cent for *rabi* crops and 5 per cent for annual commercial / horticultural crops. Remaining amount will be borne by the Government.
- Uniform premium for the crop in the country against the earlier different premium in different districts
- Claims on full sum insured
- Enhanced coverage of risks—coverage of additional risks of inundation risks, risks of post harvest losses

- Target to double the agri insurance coverage in 2-3 years from the present 23 per cent to 50 per cent. Special attention on non-loanee farmers
- Localised assessment at individual farm from area approach
- Provision for assessment of loss at individual farm level on account of losses due to hailstorm, landslide, inundation, cyclone or cyclonic rain and unseasonal rains after harvesting
- Use of technology like mobile, satellite etc in the accurate assessment of loss and early payment

11. Pradhan Mantri Suraksha Bima Yojana (PMSBY) & Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

PMSBY provides accident insurance worth Rs. 2 lakhs to the subscriber for a contribution of just Rs. 12 per annum as premium. This is for all bank account holders in the age group of 18 to 70 years. PMJJBY provides life insurance worth Rs. 2 lakhs at the premium of just Rs. 330 per annum for all bank account holders in the age group of 18 and 50 years.

Part II

Challenges in Implementation

Two-third of our population depends on agriculture directly or indirectly for their livelihoods and thus agriculture and farmers form the backbone of our economy. Strengthening this backbone is the ultimate objective of new initiatives of the government. The deceleration in the agriculture growth rate is mainly due to three reasons-

- inputs intensive farming like water and fertilizers
- lack of infrastructural investment and
- lack of unified market

The new initiatives by the government aim to redress above problems. But, there are some challenges in achieving these objectives, which have been mentioned below.

- There were initial reactions that budget allocation under Agriculture and Farmers' Welfare was increased. But this was not the fact because increase in agriculture budget was more an account adjustment of funds. The interest subvention, which was earlier shown under the Ministry of Finance, is now reported under the

Ministry of Agriculture and Farmers' welfare. Hence, increase in budget allocation is not real as understood by the public in general. However, the challenge is, how to use the scarce resources optimally so that the dictum 'per drop, more crop' could be materialised.

- Another challenge is that the Centrally Sponsored Schemes are to be financed as per the re-structured way where, the State Governments would be more involved in implementation of the schemes. So, success of a scheme depends on the States' priority on that particular scheme. What incentives have been given to the states for the effective implementation of these new initiatives, is not discerned.
- The centralised approach adopted in the implementation of the schemes of agricultural production, insurance, irrigation in a country which is heterogeneous and different in agro-climatic zones, may be a challenge. In fact, more decentralised approach is needed for better results and the District Agricultural Development Plans prepared by the States under RKVY may be used for this purpose.
- The benefits of various initiatives in the form of credit, direct benefit transfer, insurance, etc is dependent on the tenancy reforms and modernisation of land records as commented by the Niti Aayog. Because at present, the benefits of various schemes are going to the owners of the landholdings and not to the operators (tenants) of the landholdings. In fact, the operators are bearing risks and reward is enjoyed by the owner of the holdings. It gives disincentive to de-facto farmers.
- The benefits under various insurance schemes are useful for farming community as they reduce the risk in undertaking various agricultural activities. But that is only possible if the farmers have their accounts in banks as well as operating them regularly. Keeping in view the local conditions in the village, it not possible for them to regularly deposit their premium in the banks. An agent sort of arrangement at the village level may be a way to remind them and collect their premium at their doorstep.
- Agricultural research is very important for the success of lab-to-land programme in the countryside. In this sector, situation is as

commented by the Economic Survey 2015-16, "In more recent years, however, agricultural research has been plagued by severe under investment and neglect." During 12th Five Year Plan, the entire budget allocation in different years for the Education and Extension has not been spent by the Indian Council of Agricultural Research. Further, as commented by Economic Survey by quoting research findings, "There is a strong need to take up steps to enhance research productivity among the scientists in public agriculture research institutes by instituting performance indicators as the majority (63.5 per cent) of scientists [had] low to very low level of productivity."

- Rural press, as community communication medium, has a great role to play in creating awareness among people. Highlighting their problems, it acts as a link between the policy makers, development bureaucracy and farmers. It converts scientific research into simple language information for utilisation in the field situation. Hence, the extension and communication wing of different Agricultural Universities and at ICAR need strengthening. The GB Pant University of Agriculture and Technology, Pantnagar has recently organised a two-day national workshop on 'Agricultural Journalism' at its Campus on 'how media can play an effective role in the materialising rainbow revolution in the country'. This is a welcome initiative in right direction.

Conclusion

Given the significance of agriculture sector in the economy and society, the government of India has initiated several steps for its sustainable development and to enhance the income of the farmers in the country by way of improving soil fertility, improved access efficiency of irrigation, insurance cover to farmers and unified national agriculture market. Different stockholders have to be involved to put these initiatives into action in a sustainable mode. The challenges mentioned in this paper may be addressed so that the expectations of the people may be fulfilled.

(Author is an Independent Consultant on Local Governance, Planning and Development. Email: mpal1661@gmail.com)