



Doubling India's Farmers Income

This editorial is based on [“How to double India's farmers' income”](#) which was published in the Indian Express on 06/03/2023. It discusses the issues with India's doubling farmers' income and ways to address the same.

For Prelims: Periodic Labour Force Survey, Climate change, Droughts, Floods, Millets, Pulses, Oilseeds, Horticulture Crops

For Mains: Challenges in Doubling India's Farmers Income in India, Agricultural Resources, Government Policies & Interventions

In 2016, India's Prime Minister **shared his dream of doubling farmers' incomes in the year when India completes 75 years of Independence** and enters Amrit Kaal. Now that we have entered Amrit Kaal, it is a good time to revisit that dream and see if it has been fulfilled, and if not, how best it can be done.

Unless the incomes of farmers go up, we cannot have sustained high growth of overall **GDP**. This is because the manufacturing sector starts facing a demand constraint soon after meeting the demand of well-off urban consumers.

Agriculture engages the **largest share of the workforce (45.5% in 2021-22 as per [Periodic Labour Force Survey](#))**. So, **focusing on agriculture, even if it was in a dream**, is the right way to ensure long-term high growth of the overall economy.

Agriculture also has to **provide food and nutritional security to the largest population on this planet**. However, **if this objective has to be achieved in today's context**, it must encompass policies that also protect the basic resources of this planet, say soil, water, air, and biodiversity.

What are the Issues with Doubling Farmers Income?

▪ Issues with Agricultural Policies:

- Trade and marketing policies adopted by the government are suppressing farmers' incomes.
- **For Example:** The ban on exports, the suspension of several commodities from the futures markets, and the imposition of stocking limits on certain commodities.
- These are **hidden policy instruments of “implicit taxation” of farmers' incomes**.
- The **policy of heavy subsidisation along with assured and open-ended procurement of paddy and wheat** is creating challenges for the environment.

▪ Fragmentation of Land:

- Land fragmentation is a **significant issue in India**. Small and marginal farmers who own less than two hectares of land constitute around 85% of the total number of farmers in

India.

- This fragmentation of land limits the scale of agricultural operations, making it difficult to achieve economies of scale.
- **Poor Infrastructure:**
 - India has a **weak agricultural infrastructure, including inadequate irrigation facilities, poor storage facilities,** and weak transportation networks. This results in poor-quality produce, wastage, and low returns to farmers.
- **Low Productivity:**
 - The **productivity of Indian agriculture is low compared to other countries.** The yield per hectare of major crops in India is lower than that of China, Brazil, and the United States.
- **Climate Change:**
 - **Climate change** has a significant impact on Indian agriculture. Erratic rainfall, rising temperatures, and extreme weather events such as **droughts** and **floods** affect crop production and reduce farmers' income.
- **Price Volatility:**
 - The agriculture sector in India is **characterized by price volatility due to the lack of a stable pricing policy.**
 - Fluctuations in prices of agricultural commodities, coupled with high input costs, make it difficult for farmers to plan their production and marketing strategies.
- **Inadequate Institutional Support:**
 - The **lack of institutional support in the form of credit, insurance, and marketing facilities for farmers** is a significant challenge.
 - Access to credit and insurance remains low for small and marginal farmers.
- **Dependence on Monsoon:**
 - A **large proportion of Indian agriculture is dependent on monsoon rains.**
 - Delayed or inadequate rainfall affects crop production and farmers' income.

What are the Steps taken by Government for Supporting Farmers?

- The government has implemented various schemes and policies to achieve this goal, including increasing the **Minimum Support Price** for crops, promoting **organic farming**, and creating a national agricultural market.
- Government **provides a fertiliser subsidy whose budget crosses Rs 2 lakh crore. It provides income support to farmers through PM-Kisan.**
- Many small and marginal farmers also get free ration of at least 5 kg/person/month through the **PM Garib Kalyan Anna Yojana.**
- There are also **subsidies for crop insurance, credit and irrigation.**
- **States also give out power subsidies in abundance, especially for irrigation.** Even farm machinery for custom hiring centres is being subsidised by many states.

What should be the Way Forward?

- **Realignment of Support Policies:**
 - The government **should incentivize the cultivation of crops that are environmentally friendly** and consume fewer resources such as water and fertilizers.
 - **Millets**, pulses, **oilseeds**, and **horticulture** crops could be given carbon credits to encourage their cultivation.
 - The subsidies/support should be crop-neutral or skewed in favor of the crops that are beneficial for the planet's resources.
- **Promotion of High-Value Crops:**
 - Farmers **should diversify their crops to include high-value crops** that have better market demand and can fetch higher prices.
 - This can be **done by introducing better seeds, irrigation techniques,** and training on sustainable farming practices.
- **Collaboration with Corporations:**

- The government can **collaborate with corporations to provide farmers with better market access and an assured buyback arrangement** to reduce their market risk.
- Corporations can **also offer farmers better prices for their produce by using them for making value-added products** such as tofu, soya milk powder, soya ice cream, and frozen soya yoghurt.
- **Technological Innovation:**
 - The government **should invest in research and development to come up with new technologies** that can help farmers increase their productivity and profitability. This can include the use of solar panels on farmers' fields as a third crop.

Drishti Mains Question

What are the major obstacles in doubling the income of farmers in India, and what approaches are necessary to achieve this ambitious target?

UPSC Civil Services Examination Previous Year's Question (PYQs)

Mains

Q. Assess the role of National Horticulture Mission (NHM) in boosting the production, productivity and income of horticulture farms. How far has it succeeded in increasing the income of farmers? **(2018)**

Q. What are the challenges and opportunities of the food processing sector in the country? How can the income of the farmers be substantially increased by encouraging food processing? **(2020)**

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