



## Mains Practice Question

**Q.** “The agriculture sector is critical for India from a consistent growth and food security perspective”. Discuss the steps to be taken to revitalise the agricultural sector. (250 words)

19 Aug, 2020 GS Paper 3 Economy

### Approach

- Introduce by explaining the given statement and showing how the agriculture sector is critical for India for consistent growth and food security.
- Discuss in brief the main issues faced by the agriculture sector in India.
- Discuss the steps to be taken to revitalise the sector.
- Conclude with an emphasis on adopting sustainable agriculture for sustainable development.

### Introduction

- The agriculture sector is critical for India from a consistent growth and food security perspective as the sector and allied activities account for approximately 55% of India's workforce and nearly 15% of India's GDP.
- Today, India has come a long way from facing severe food shortages after independence to becoming a net exporter of food. While the agricultural sector has made considerable progress, in India, we still have a long way to go when it comes to global benchmarks in yield, water use efficiency etc.

### Body

- **Main issues faced by the agricultural sector in India:**
  - **Land Fragmentation:** It creates difficulties for marginal farmers to access credit or new technology, severely affecting farm productivity and their incomes, making them entirely dependent on usurious moneylenders.
  - **Worsening soil health:** Rampant use of urea, partly caused by Nutrient Based Subsidy scheme, has led to worsening soil health, the decline in crop response ratio and contamination of surface water.
  - **Climate change:** Climate change leads to change in temperature, precipitation pattern, increase in extreme weather conditions etc. which poses a great challenge to agriculture.
  - **Dependence on rainfall and climate:** Indian agriculture is heavily dependent on monsoon and ever-increasing global temperature has made agriculture more prone to extreme weather events.
  - **Lack of easy credit:** Small scale farmers are in constant need of loans for seeds, fertilizers etc. Due to lack of easy credit from the formal sector and hence take loans from local money lenders who charge high rates of interest which the farmers are unable to pay and are caught in a debt trap.
  - **Lack of Mechanisation:** Introduction of latest technology has been limited due to various reasons like accessibility for credit and low awareness.
- **Steps to revitalise the agricultural sector**

- **Need for planned production:** Indian agriculture needs to move from the current fragmented production model, where each farmer produces what he thinks is right, to a planned production at a district level. This can help in reducing the mismatch in supply-demand and price fluctuations.
- **Enhancement of soil nutrition:** To address the problem of worsening soil health, steps must be taken by the government to rationalise the use of fertilizers, promote organic farming and educate farmers.
- **Digital push to improve farming practices:** Digital adoption will be key to improving the reach and delivery of services like agronomy advice, enhance adoption of Precision Agriculture practices and improve price transparency through digital platforms.
- **Easier loans for farmers:** With farmer incomes highly dependent on external factors such as climate change and commodity price fluctuations, it is important to have robust risk management and financial solutions for the farmers.
  - The availability of credit through Kisan Credit Card (KCC) and associated crop insurance is one such instrument.
- **Go for end-to-end integrated supply chain for finished products:** The development of a robust supply chain infrastructure is critical for reducing high post-harvest losses estimated at between 10 and 18% in India. With many intermediaries, processors lose control over the quality of produce as well as traceability.
  - By encouraging private sector investment in processing, exports, and retailing of agriculture produce, we can bring local communities together to achieve economies of scale, encourage standard practices to meet quality specifications for exports including niche products like organic produce.
- **Cooperative Farming:** Due to fragmented land holdings consolidation of land holdings also becomes important to raise farmer incomes. Farmers can voluntarily come together and pool land to gain the benefits of size. Through consolidation, farmers can reap the economies of scale both in input procurement and output marketing.

## Conclusion

- India's production levels of agriculture and allied segments along with current productivity, infrastructure and processing rates, represent huge untapped opportunities for all players of the agriculture value chain.
- Backed by progressive policies, fiscal incentives and an effective regulatory environment, the Indian agricultural sector can provide a strong thrust to the economic growth momentum of the nation.
- These favourable shifts in the agriculture industry will also lead to a substantial increase in farmer incomes in the country, and safeguard food security for the country's growing population.