



SC Panel Report on Agriculture Distress

For Prelims: Agricultural Distress, [Supreme Court](#), State of Agriculture in India, [National Commission on Farmers \(NCF\)](#), [Commission for Agricultural Costs and Prices \(CACP\)](#), Palm Oil Mission, [Pradhan Mantri Fasal Bima Yojana](#).

For Mains: SC Panel Report on Agricultural Distress: Reasons, Impacts, Government Initiatives.

[Source: DTE](#)

Why in News?

Recently, the **Supreme Court (SC)**-appointed committee has submitted its **interim report on agrarian distress** in India. The report has highlighted the severe state of crisis in India's agriculture.

About SC-appointed High Level Committee:

- It was constituted by the **Supreme Court (SC)** in September 2024 under the chairmanship of former Punjab and Haryana **High Court** judge Nawab Singh to **resolve the grievances of farmers agitating** at the Shambhu border and **suggesting possible solutions** to this.

What are the Key Findings of the SC Committee Report on the State of Agricultural Farmers?

- Income Crisis:** The report finds that farmers earn a mere **Rs 27 per day** from agricultural activities, highlighting the **stark poverty** within the sector.
 - The **average monthly income** of agricultural households is **Rs 10,218**, which is **far below the basic living standards** required for a decent life.
- Escalating Debt:** Farmers in Punjab and Haryana are burdened with mounting debts, with **institutional loans reaching Rs 73,673 crore and Rs 76,630 crore**, respectively, in 2022-23.
 - Non-institutional debt** adds to the burden, accounting for **21.3% in Punjab and 32% in Haryana**, causing widespread financial distress and pushing many farmers to despair.
- Farmer Suicides:** Since 1995, over 4 lakh farmers and farm workers in India have committed suicide, according to the [National Crime Record Bureau \(NCRB\)](#).
 - A house-to-house survey conducted by three public sector universities in Punjab recorded **16,606 suicides between 2000 and 2015**, primarily among **small and marginal farmers** and **landless workers**, with **high indebtedness** being the major cause.
- Stagnation in Agricultural Growth:** Punjab and Haryana have experienced **stagnation in agricultural growth**, with annual growth rates of **2% and 3.38%**, respectively, from 2014-15 to 2022-23, significantly below the national average.

- This stagnation has contributed to **low income levels and declining living standards for farmers.**
- **Disproportionate Employment:** The report highlights that **46% of India's workforce is employed in agriculture**, yet it **contributes only 15% to the national income.**
 - Many agricultural workers are **underpaid** or face **disguised unemployment**, worsening **rural poverty.**
- **Impact of Climate Change:** Depleting **water tables, droughts, erratic rainfall, and extreme weather conditions** are aggravating the crisis, further threatening food security and agricultural productivity.

What are the Implications of the Findings of Report?

- **Impact on National Economy:** The declining state of agriculture, along with **high suicide rates** and **increasing debt**, poses a significant **threat to the nation's economy.**
 - Neglecting agriculture could lead to **long-term economic instability** and **increase rural-urban migration.**
- **Sustainability and Food Security:** If the current trajectory continues, India's **agricultural sector could face a crisis** in terms of **food security.**
 - With decreasing agricultural productivity, **climate change** challenges, and a lack of reform, India may struggle to meet the growing demands for food, **further exacerbating poverty and hunger** in rural areas.
- **Social Stability:** The persistent farmer suicides and growing despair within the farming community could also lead to **social unrest.**

What are Major Challenges Faced by the Agricultural Sector in India?

- **Limited Access to Credit and Finance:** As per **India's Agriculture Census 2015-16**, around **86%** of Indian farmers are small and marginal, and many face significant challenges in accessing institutional credit.
 - This limits their ability to invest in modern farming inputs like machinery, seeds, and fertilizers, affecting productivity.
- **Fragmented Landholdings:** The average landholding in India is around **1.08 hectares**, which is insufficient for large-scale, efficient farming.
 - This makes it **difficult for farmers to adopt modern agricultural techniques** and technologies. The lack of economies of scale results in lower agricultural output and productivity, contributing to financial instability.
- **Outdated Farming Practices:** A large number of Indian farmers still depend on **traditional farming techniques** that are inefficient and unsustainable.
 - The lack of access to modern technology and resistance to change further obstruct improvements in **farming productivity and sustainability.**
- **Water Scarcity and Irrigation:** India's agriculture **relies heavily on monsoon rainfall**, with **60% of cropped area being rainfed**, making it vulnerable to **droughts** and erratic rainfall.
 - According to NITI Aayog's data for 2022-23, only **52% of India's gross sown area** (73 million hectares) is **irrigated**, exacerbating water scarcity.
- **Soil Degradation and Erosion:** The **Food and Agriculture Organization (FAO)** reports that nearly **30%** of India's agricultural land is affected by soil degradation, primarily due to excessive chemical fertilizer use, poor irrigation practices, and deforestation.
 - This leads to reduced soil fertility, lower productivity, and increased vulnerability to pests and diseases.
- **Inadequate Agricultural Infrastructure:** India faces **15-20% post-harvest losses** due to **insufficient storage, cold chains, and rural road infrastructure** according to the Indian Council of Agricultural Research (ICAR)).
 - This **increases production costs and limits farmers' access** to markets, hindering fair price realization.

What are the Government Schemes for Farmers Welfare?

- [PM Kisan Samman Nidhi Yojana](#)
- [Pradhan Mantri Kisan Maan-Dhan Yojana](#)
- [PM Fasal Bima Yojana \(PMFBY\)](#)
- [PM Krishi Sinchai Yojana \(PMKSY\)](#)
- [e-National Agricultural market \(e-NAM\)](#)
- [Agriculture Infrastructure Fund](#)
- [Formation & Promotion of 10000 FPOs](#)
- [Honey Mission and Sweet Revolution](#)
- [Market Intervention Scheme and Price support Scheme \(MIS-PSS\)](#)
- [Soil health card](#)
- [Neem-coated urea](#)

What Can be Done to Reduce Farmer Distress in India?

- **Loan Waivers: Debt relief for farmers**, including a loan waiver, as an immediate measure to alleviate their financial distress.
 - This would help in reducing the crushing burden of debt, which is one of the primary reasons behind farmer suicides.
- **Legal Recognition of MSP:** The Supreme Court-appointed panel has also recommended granting legal recognition to the **Minimum Support Price (MSP)** to protect farmers from market price fluctuations.
 - This would **guarantee farmers a fixed price for their produce**, ensuring income stability and reducing uncertainty in the agricultural sector.
- **Promotion of Organic Farming and Crop Diversification:** There is a need to promote **organic farming** and **crop diversification** to reduce dependency on a few staple crops.
 - This would ensure sustainability and would also reduce the environmental impact of conventional farming practices.
- **Agricultural Marketing Reforms:** To improve the efficiency of agricultural markets, reforms in the agricultural marketing system are needed which could include measures such as **establishing more farmer-friendly markets, reducing intermediaries, and improving infrastructure** for better price realisation for farmers.
- **Employment Generation in Rural Areas:** To address low agricultural income, policies must focus on **creating employment opportunities in rural areas**, promoting **diversification and sustainable development**.
 - This could include skill development programs, rural industrialization, and promoting agro-based industries.
- **Climate Resilience Measures:** There is a need for **urgent measures to address the impact of climate change** on agriculture, including better **water management** practices, promoting **drought-resistant crops**, and investing in **climate-resilient infrastructure**.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q1. With reference to 'Pradhan Mantri Fasal Bima Yojana', consider the following statements: (2016)

1. Under this scheme, farmers will have to pay a uniform premium of two percent for any crop they cultivate in any season of the year.
2. This scheme covers post-harvest losses arising out of cyclones and unseasonal rains.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (b)

Q2. Consider the following statements: (2020)

1. In the case of all cereals, pulses and oil-seeds, the procurement at Minimum Support Price (MSP) is unlimited in any State/UT of India.
2. In the case of cereals and pulses, the MSP is fixed in any State/UT at a level to which the market price will never rise.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)