Time to nurture the hands that feed us

One of the grimmest projections for the future of the earth, as we know, is the irreversible degradation of agricultural land caused by

plummeted from $25.5 billion in 2013-14 to just $8.2 billion by 2016-17. The draft Mid-Year Review of the Economy brought out by the National Council of Applied Economic Research in November 2017, argues that structural changes in consumption patterns in both rural and urban areas, as also rising incomes, are exerting price pressures in the agriculture sector. This necessitates productivity growth and efficacious management of post-harvest operations to ensure affordable supplies of agricultural produce.

Reversing the downward slide: Realising the severity of the situation, the Government has decid-
depletion of water bodies and climate change, rendering it progressively unfit for cultivation within a span of less than a century. Where does that leave the Indian farmer, who has been consistently providing food for 1.3 billion people, relying largely on inherited wisdom and knowledge, with little access to technology or infrastructure, over the last several decades?

**Crisis in the agriculture sector:** Agriculture has traditionally been the backbone of the country in terms of livelihood, but the sector has recorded alarmingly slow growth in the last few years. According to recent estimates of the Central Statistics Office, the growth of Gross Value Added in agriculture declined from 4.1 per cent in 2016-17 to barely 2.1 per cent in 2017-18. Even the National Commission of Farmers (2006), chaired by MS Swaminathan, had pointed out that something “very serious and terribly wrong is happening in the countryside”, largely resulting from instability in farm incomes and risks relating to production, markets and prices faced by farmers.

Another reason for the crisis in agriculture is a steady decline in the size of landholdings, caused by unbridled privatisation and commercialisation. Farmers, who once owned sizeable land, are now growing crops on smaller and smaller plots.

**Ameliorating the agrarian crisis:** The 2018 Budget, dubbed as ‘farm-centric’ by many, also highlights the Government’s intentions to mitigate the farmers’ suffering. However, it is not clear how the resources would be generated for implementing the ambitious announcement of a minimum support price (MSP) for 23 crops against the current MSP funding of INR 1.11 trillion. The new food crop loan scheme of INR 10,000 per acre is a welcome move, but its implementation remains to be seen.
by mounting pressure on land assets. Government data shows that small and marginal holdings of less than two hectares currently account for 72 per cent of the landholdings in the country. However, arguably, the biggest challenge facing the farmer today is that of price fluctuations caused by demand and supply uncertainties and hoarding of agricultural produce by traders. These risks are followed by rising input and capital costs and perishable nature of the produce, preventing farmers from stocking till they get a profitable margin or even from insuring their produce against losses.

**Alarming drop in agricultural growth:** The Modi Government’s promise of ‘Sabka saath, sabka vikas’ is unlikely to be fulfilled without taking the farmer on board, especially since almost 47 per cent of the workforce in India is engaged in agriculture. The World Development Report (2008) also pointed that growth in the agriculture sector is two-three times more effective in reducing poverty than concomitant growth in non-agricultural sectors. However, an analysis of the performance of India’s agriculture sector and farmers’ incomes over the last four years offers little scope for optimism, especially with the agri-Gross Domestic Product falling to 2.1 per cent this year, down drastically from 4.9 per cent in the previous year.

Can the Modi Government buck the trend of 1.5 times the input cost of farmers for all the unannounced kharif crops. Other proposals in the Budget aim at upgrading the existing rural haats into gramin agricultural markets, diversification through setting up of a fisheries and aquaculture infrastructure development fund and an animal husbandry infrastructure development fund with a corpus of ₹10,000 crore; and 100 per cent tax deduction for farmer producer companies that can, in turn, assist small and marginal farmers in achieving economies of scale.

However, experts warn that even these far-reaching measures may not be sufficient to take the farm sector out of the red, or to attain the target of doubling farmers’ incomes by 2022, especially since the paltry 3.1 per cent growth rate of farmer incomes between 2003 and 2013 needs to be scaled up to over 10 per cent to reach this target. The obvious solution lies in augmenting the non-agricultural incomes of farmers emanating from jobs in the rural non-farm and urban sectors.

The most enterprising suggestion is, however, embedded in the Economic Survey in its emphasis on promoting women farmers by integrating them as active agents in rural transformation, by earmarking 30 per cent of the Budget allocation for women beneficiaries in all ongoing Government...
Can the Modi Government buck this trend to bring the farm sector back on the growth trajectory in just one remaining year of its term?

Poor agricultural performance during the Modi era is also reflected in the shrinking agri-trade surplus, which as per the Government's own figures, has seen an alarming drop. This is of great concern as agriculture is the backbone of the economy and its performance has a direct bearing on the country's overall growth.

In order to address this decline, the Government is focusing on various initiatives. One such strategy is to enhance access to credit for farmers, particularly women farmers, who have been traditionally excluded from the credit market. The Government is working with micro-credit agencies and self-help groups to provide better financial support to women farmers. This approach aims to empower women farmers and help them overcome the challenges they face.

These women are envisaged to perform multiple roles of cultivators, entrepreneurs and labourers by deploying their gender expertise in an otherwise male-dominated sector.

**Conclusion:** The Government thus seems to be working on a philosophy of “when the going gets tough, the tough get going” to reduce the travails of farmers—a philosophy that has been most evocatively immortalised in the famous war novel of 19th century America, *Gone with the Wind*, when its female protagonist and plantation owner Scarlett O’Hara finds only one dirty carrot in her erstwhile sprawling farm that has been ravaged by the war; and when she grimly resolves, “As God is my witness, I’ll live through this...I’ll never be hungry again.” Surely, it’s time to nurture our impoverished farmers and ensure that even as they keep feeding us, they should themselves never go hungry.

*(The writer is Editor at the National Council of Applied ...)*