

Govt panel recommends radical overhaul of farming ecosystem

Panel on doubling farm incomes proposes moving from supply-push to demand-led production system

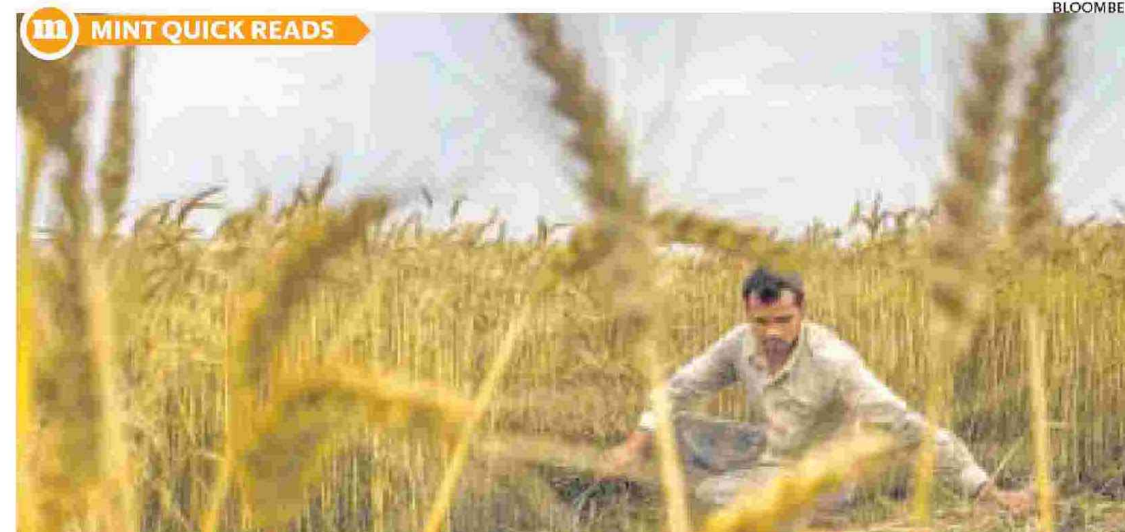
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The government should undertake a radical overhaul of the agriculture ecosystem by moving from a supply-push production system to a demand-led one, according to a committee set up by the centre to recommend strategies to double farmer incomes by 2022.

The agriculture ministry should also set up an “empowered committee” to operationalize and monitor progress of doubling of farm income strategies, the panel recommended in its report submitted to the ministry on Monday, a copy of which has been reviewed by *Mint*.

The recommendations come against the backdrop of large-scale unrest among farmers that have already led to multiple demonstrations across India, and the promise by the Bharatiya Janata Party (BJP)-led Union ministry of doubling farm incomes by 2022.

The interministerial committee, headed by the additional secretary in the agriculture ministry, Ashok Dalwai, had been set up in April 2016. The panel has since then submitted 13 volumes of draft recommendations on different aspects, from marketing and post-harvest management to the role of science and risk management, and clarified that the goal is not to double nominal but real or inflation-adjusted



Panel suggests pooling of harvesting for efficient farm management

In April 2016, the Narendra Modi government set up a committee to suggest how to double farm incomes

Since then, the inter-ministerial committee put out 13 volumes detailing the way forward to double incomes between 2015-16 and 2022-23

Final report proposes pooling of land and harvests for efficient farm management, and creating a new marketing architecture

The panel also suggested setting up an empowered committee to monitor and implement its recommendations

farm incomes between 2015-16 and 2022-23.

“It is time to recognize agriculture in India as an enterprise” which calls for “optimal scale of operations”, the committee said in its final report. To bypass challenges posed by small farm sizes, it suggested land pooling, aggregation of farmers’ produce by creating village-level producer companies, use

The committee suggested the establishment of an institutional mechanism for price and demand forecasting

of contract farming, and engagement of professional service providers to whom a group of farmers can outsource day-to-day operations of their farms, from pest management to irrigation.

The service area can be a few hundred or thousand acres outsourced by a group of farmers against payment or entering into a service contract, the report said. The report also suggested the

reorganization of production systems through the adoption of a market-led crop geometry that will entail a shift in emphasis from common cereals such as rice and wheat to nutri-cereals, from producing carbs to proteins, and field crops to dairy, livestock and fisheries.

Water management should be assigned the highest priority by bringing in 2-2.5 million hectares under micro irrigation every year and promoting agro-climatic based cropping systems, the panel said.

On marketing, the committee suggested moving from the “farm

to fork” approach to a “fork to farm” strategy and adopting a new market architecture comprising rural markets and private warehouses that are outside the ambit of restrictive state marketing laws. Farmers who often resort to distress sales should be enabled to hold on to their produce through instruments like negotiable warehouse receipts, it said.

The committee suggested the establishment of an institutional mechanism for price and demand forecasting, and adoption of “an import-export duty structure... to the advantage of farmers”, to address market risks related to prices.

It has also asked the centre to set up an “empowered committee” headed by a senior officer in the agriculture ministry for effective coordination among different departments and ministries to ensure quick implementation of its recommendations.

Experts have said that the government’s target of doubling farm incomes is unlikely to succeed as growth in agriculture gross domestic product has averaged just 2.5% in the past four years.

However, a member of the committee who did not want to be named, said “We must understand that there is an inverse relationship between growth in production and growth in incomes... The strategies put out by us seek to capture the optimal value of farmers’ produce rather than blindly increase production growth.”