

**AGRICULTURAL POLICIES OF PROFITABLE AGRICULTURE**

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India basically depends on agriculture, over 58% of the population depends on Agriculture, in recent years, and there is a decreasing trend in the working people in agriculture. So many constraints like improper marketing facilities, water crisis, skill-less, which leads to a reduction in productivity, the efficiency of Agro-food products. Government is promoting agriculture in numerous ways like agricultural policies to remove the obligations regarding agriculture and majorly focused on the principle of profitability rather than the principle of productivity.

India is one of the fastest-growing economies in the world. It is having diversity in geography, economy and ethically. India accounts for 18% of the world population but having 0.15 ha per capita land, which leads to land-scarce for agriculture. Agriculture is the backbone of the Indian economy; it plays a very important role to boost up the national economy for decades. It is a key sector to contribute to both employment and GDP. In India, since 2011, production has been rising at an average of 3.6% annually. The economic growth of around 7% over the last 5 years makes India one of the fastest-growing economies.

But, somehow the contribution of the agriculture sector to GDP has continued in decreasing trend over two decades from 29% in 1990 to 17% in 2016. Indian Agriculture lags behind due to key challenges like Land fragmentation, long supply chain, risks in long term production, Water crisis, Improper linkage to downstream sectors, fewer opportunities for global value chains, etc.

To cope up with these problems, regulation or implementation of agricultural policies is needed. Agricultural policies are the set of laws relating to agriculture and imports of foreign agricultural products; usually, the government implement agricultural policies with the goal of achieving a specific outcome in the domestic product markets. It helps to upgrade the income and increase the standard of living of farmers within time-bound. Agricultural policies have remained a highly structural sector in India with government organizations;

Government has taken agricultural policies during the mid-1960s. Initially, it focuses on food self-sufficiency in staple food grains like rice and wheat, later on, years, it focuses on cultivated area, the introduction of land reforms, community development, minimum support price, public storage, procurement and distribution of food grains, etc. In India, the policies main aim is to remove the problems regarding agriculture and solve the complications related to improper and inefficient use of natural resources, the poor cost-benefit ratio of the sectorial activities, ineffective functions of cooperative farming, etc. These policies are formulated for all-round and comprehensive development of the agricultural sector.

### **Objectives of agricultural policies**

- **Increasing the productivity of Inputs**

It is one of the most important objectives of the policy is to improve the productivity of inputs like wide yielding varieties, fertilizers, pesticides, irrigation projects etc.

- **Modernization in agriculture**

Introduction and invention of modern scientific technologies in agricultural operation and application in order to improve the agricultural input products.

- **Raising value added/hectare**

Increasing per hectare value added rather than raising physical output by raising the productivity of small and marginal holdings.

- **Protecting the interests of small/marginal farmers**

Protection of small and marginal farmers by removing arbitrators by using land reforms and providing institutional credit to support to farmers.

- **Yield enhancement of major commodities**

Production of major crops and livestock is less compared to other countries in the world. Increases in food production easily meet the country's population demand.

- **Agricultural research and training**

Encouragement for agricultural research and training by providing facilities in order to saturate the outcome of research among the farmers by creating a close link between research institutions and farmers.

- **Monitoring of environmental degradation**

Agricultural policy of India has set another objective to monitor environmental degradation of natural resources or base of agriculture.

- **Removing bureaucratic obstacles**

To remove the bureaucratic obstacles on the farmers- cooperative societies and self-help groups to work independently.

### **Key challenges**

**Productivity lags behind other parts of the region:** The large share of employment in agriculture compared to GDP contribution reflects the slow pace of structural transformation and the relatively low labour, productivity. Farm labor productivity growth is still in back position compared to China, Vietnam, Indonesia, etc., land productivity has been rising over the years. Average yields of major crops are still less compared to other countries. Agriculture has been slow because of labours low level of education and lack of skill.

**Fragmented land use patterns:** In India, Fragmentation of land goes on an increasing trend, whose average size is 1.15 ha and still less. This sector includes majority marginal and small scale farmers, nearly 85% of the operational holdings are less than 2 ha in India, 5% of farmers holding more than 4ha of arable land. Land tenure governance in India is very complicated both in legislation and organizational framework.

**Supply chains are long and disintegrated:** Gaps in the supply chains (Physical infrastructure and logistics) reduces the chances of the establishment of the efficient agri-food supply chain, market infrastructure also highly suffered due to unintended impacts of regulations in markets for agriculture produce. Limited connectivity and inadequate storage lead to post-harvest losses and effect the incentives to the produce. The highest postharvest losses have occurred in fruits and vegetables in 2015 are 4% and 16% respectively.

**Linkages to input markets are so weak:** Even though availability, access, quality of farm inputs and services has been improved over the years; their distribution across the different size categories of farmers remains same. Informal chains still present in the seed and fertilizer markets, about 60% of seeds are used to sown which are saved by farmers, only 39% of holdings use certified seeds and 9.8% of hybrid *seeds*. The cost of HYV in formal channels highly cost and small farmers cannot afford.

**Linkage to downstream sectors is weak:** Food processing and retail sectors have been growing fastly over the years, but major drawback is they are under privatisation. It requires more expenditure, infrastructure, high labour intensive, more capital intensive unorganized segment. Absence of adequate connectivity, improper information and marketing linkages.

**Pressures on natural resources risk reducing long term production growth:** Land degradation is the more effective throughout the country 37% of the total land area is affected by different types of degradation, improper application of fertilizers (time, quantity, and place) Chemical fertilizers contribute to greenhouse gases, water pollution and soil contamination. India also suffering from severe water crisis due to long gap between water supply and need, Poor water resources management, changing in precipitation patterns due to climate abnormalities. Total water demand will raise by 32% by 2050 due to population growth. Putting water reserves under pressure and causing ground water depletion

**Food and nutritional insecurity:** Significant proportion of the population is a risk of falling back to food insecurity under certain conditions; performance in terms of nutritional quality has been less strong. Incidence of poverty in India is goes on increasing.

### **Agricultural policies in India**

Central government launched number of schemes such as Pradhan manthri krishi sinchayi yojana, Pradhan mantri fasal bhima yojana, Neem-coated urea, Soil health card and e-NAM. Now the major aim of agricultural policies to focus on the principle of profitability but not principle of productivity in case of farming.

**Institutional and governance reforms:** They are many reforms relating to agricultural marketing, warehousing, land leasing, contract farming etc., Replacing open ended subsidies with direct benefit transfers for fertilizers and seeds would not just help target the right end users in the system, but also encourages efficient and judicious application of these inputs.

Agriculture is the state subject, past experience shows that no agricultural development on the ground is possible without meaningful interventions by state governments, In addition to these are issues concerning revitalizing farm extension network, skilling youth for setting up scientific agro-food based enterprises promoting institutional credit structure, development of postharvest management and encouragement for farmers producing organizations.

**Climate smart Agri technologies:** Adaption and mitigation strategies to monitor climate changes challenges have to be at the fore foot of any agricultural policy. Research has to designed to suit local cropping patterns and promote sustainable farm management in means of soil, water and energy. A large gene pool is available in many crops which allows for selection, breeding and developing new varieties tolerant to stresses like biotic and abiotic. The rationale of climate smart agriculture(CSA)has to be appreciated by decision makers and stakeholders at all levels. DFI by 2022 is not achievable, without making farmers resilient to climate change impacts and promoting CSA practices that sustainably increase productivity and income.

**Food and nutrition security:** There can be no inclusive growth without nutrition security that would entail a shift in focus from calorie intake towards delivering nutrition. Neglected crops such as pulses and millets are fortunately now receiving attention, not only because of their high protein and nutrition characteristics, but also for their climate resilience and low carbon and water foot prints. Creating a potential a markets for growers of these smart crops. The government should move from a cereal-centric policy focused on subsidised procurement and distribution of rice and wheat to a diversified mix of nutritious millets and legumes. National nutrition mission helps in procurement, inclusion of millet-based products in midday meals programmes and additional incentives beyond support farm expert policy.

**Stable farm export policy:** India ranks second in overall agricultural production, next only to China. But the country's export basket hardly reflects its huge crop diversity and potential to generate a significant farm trade surplus. Without an open and stable farm export policy, there's no predictability for farmers to access global markets and obtain the best possible prices for their produce. The movement to high-value crops (in protected cultivation, wherever possible), developing and exploiting the market for organic produce, creating farm export clusters, complying with international food-safety requirements, and doing away with

multiple authorities for monitoring/regulating agricultural trade are the need of the hour. It calls for an aggressive agricultural trade policy.

**Digital Agriculture as a backbone for modern farming:** Use of ICT has been successfully tested for timely delivery of cropping, weather and price information to farmers. While the information on markets leads to better price discovery and enables producers to capture a higher proportion of the marketable value, delivery of advisory services through digital and social media platforms can take care of the inadequacies of traditional farm extension delivery systems. All these digital agriculture initiatives require a robust data infrastructure, which, when integrated with Aadhaar, will also make for a monitoring and evaluation system to track farmer incomes and implementation of various government programmes and subsidy-linked schemes. Private agri-business agencies should also be made meaningful partners in this endeavour.

**An integrated value-chain approach:** Farmers must be integrated into modern value chains that can raise their incomes and also minimize the risks arising from middlemen and markets. There should be integration of post-harvest, marketing and processing infrastructures, adding value and quality to the raw produce of farmers. Also, technologies suited to respective agro-ecologies need to be put in place here and demonstrated to growers whose produce can be aggregated through FPOs/FPCs.

**Reforming market regulations and strengthening market functioning:** Indian farmers are receiving prices which are lower than the prices prevailing on the comparable international markets. First and foremost efforts to deploy and implement reforms already designed, such as the new model APMC Act and e-NAM, could be reinforced including inter alia the rationalization of levies and fees and to provide recourse for both consumers and producers when faced with uncompetitive practices. Supply chain arrangements should be fostered which could help overcome deficiencies in the current market environment. Improve transparency on market conditions and prices and consider investing in a price observatory.

**The Minimum Support Prices:** Minimum Support Price (MSP) is a form of market intervention by the Government of India to insure agricultural producers against any sharp fall in farm prices. The minimum support prices are announced by the Government of India at the beginning of the sowing season for certain crops on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP). MSP is price fixed by the

Government of India to protect the producer - farmers - against excessive fall in price during bumper production years. The minimum support prices are a guaranteed price for their produce from the Government. The major objectives are to support the farmers from distress sales and to procure food grains for public distribution. In case the market price for the commodity falls below the announced minimum price due to bumper production and glut in the market, government agencies purchase the entire quantity offered by the farmers at the announced minimum price. The government at Cabinet Committee level currently sets Minimum Support Prices (MSPs) for 24 agricultural commodities.

**Pradhan mathri fasal bhima yojana (PMFBY):** To provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crop as a result of natural calamities, pests and diseases. It stabilizes the income of farmers to ensure their continuance in farming and encourage farmers to adopt innovative and modern agricultural practices. It also ensures flow of credit to the agriculture sector. There will be a uniform premium of only 2% to be paid by farmers for all Kharif crops and 1.5% for all Rabi crops. In case of annual commercial and horticultural crops, the premium to be paid by farmers will be only 5%. PMFBY is a replacement scheme of NAIS (Shekhar, 2016)

**Pradhan manthri kisan samman nidhi yojana:** Under the scheme an income support of Rs.6000 per year in three equal instalments will be provided to small and marginal farmer families having combined land holding/ownership of up to 2 hectares. State Government and UT Administration will identify the farmer families which are eligible for support as per scheme guidelines. The fund will be directly transferred to the bank accounts of the beneficiaries.

**Farmers producing organizations:** Mobilizing farmers into groups of between 15-20 members at the village level and strengthening farmer capacity through agricultural best practices for enhanced productivity, ensuring usage of quality inputs and services for intensive agriculture. Facilitating fair and remunerative markets, including linking of producer groups to marketing opportunities.

**12.Contract farming:** It involves agricultural production being carried on the basis of an agreement between the buyer and farm producers. The farmer undertakes to supply agreed quantities of a crop or livestock product. In return, the buyer, usually a company, agrees to buy the product, often at a price that is established in advance. Company also supports by

providing inputs.

### Conclusion

India's agriculture was in critical condition by facing many multiple challenges. Government promoted Agriculture in all possible ways to mitigate the problems. The possible ways are agricultural policies; these policy directions will play a major role in India's success in food security for its high population, improving quality and standard of living of millions of small holders. Agriculture and food policy settings also need to proper arrangement for better results or to reflect the changing nature of agriculture role in a growing economy. The government aims to improve the prospects of small/marginal farmers, improve the effectiveness of food security measures. Profitable Agriculture and doubling of farmers income aims should fulfill only by 100% implementation of these agricultural policies which can reach upto village level. Otherwise, there will be a negative impact on farmers as well as the agriculture sector. The government aims at to make farmers income double by 2022 will achieved only proper policy-making and implementation. If we get success profitable agriculture then directly leads to fulfil of the goal "Doubling of farmers income".

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