

## General Studies-3; Topic: Agriculture

### Agriculture Sector: Economic Survey 2017-18

#### 1) Introduction

- Agriculture accounts for 16% of GDP and 49% of employment in India, making it crucial in the overall economy.
- The agriculture sector is experiencing structural changes which are opening up new challenges and opportunities.
- Agriculture sector will remain an engine of broad based growth which will reduce inequalities and provide food security.

#### 2) Impact of Climate Change on Agriculture

- Agriculture income may fall by 25 per cent in unirrigated areas due to climate change.
- Crops grown in rain-fed areas, pulses in both kharif and rabi, are vulnerable to weather shocks while the cereals, both rice and wheat, are relatively more immune.
- Agriculture GDP growth and farm revenues have stagnated in the past four years due to repeated monsoon failures.
- It estimated that in a year when temperatures are 1 degree higher, farmer incomes would fall by 6.2% during the kharif season and 6% during rabi in unirrigated areas.
- In a year when rainfall is 100 mm less than average, incomes would fall by 15% during kharif and by 7% during the rabi season.
- Efforts to promote climate-resilient agriculture have been lax.
- Need for mitigating this vulnerability through the rapid extension of climate resilient technologies.

#### 3) Women as Active Agents in Rural Transformation

- The Economic Survey has proposed an agricultural policy aimed at integrating women as active agents in rural transformation.
- There is an increasing number of women in multiple roles in agriculture sector, as cultivators, entrepreneurs and labourers.
- Women farmers must get enhanced access to land, water, credit, technology and training at a time when migration of men from rural to urban areas is growing.
- Gender-specific intervention to raise productivity of small farm holdings is required.
- The government has earmarked 30% of the budget allocation for women beneficiaries in all ongoing schemes and programmes.

#### 4) Concerns / Challenges

- The share of agriculture and allied sector in gross value added (GVA) is on the decline.
- Poor agricultural performance can lead to inflation, farmer distress and unrest, and larger political and social disaffection.
- In recent years, farmers have suffered because of erratic monsoon rains, unseasonal showers on the eve of harvest and volatile prices.
- Unabated shrinking of land holdings due to partitioning and persistent degradation of vital resources such as land and water.
- Water scarcity and limited efficiency in existing irrigation schemes.

- Fully irrigating Indian agriculture will be a challenge for the future. Currently more than half of India's crop area is rain-fed.
- Significant price fluctuations in perishables such as onions, potatoes and tomatoes have also contributed to income uncertainty for farmers.
- Farm revenues declining for a number of crops despite increasing production.
- Market prices falling below the minimum support price (MSP).
- The government has committed to double farmer incomes by 2022, but the sector's projected growth of 2.1% doesn't seem coherent with this.

### 5) Recommendations

- For addressing agricultural stress and doubling farmers' incomes requires radical follow-up action, and bringing science and technology to farmers.
- It is imperative to replace power and fertiliser subsidies by direct income support.
- Dramatically extending irrigation but via efficient drip and sprinkler technologies.
- Crop land holdings must be consolidated to reap the benefits of agricultural mechanisation.
- It is estimated that agricultural workers in total work force would drop to 25.7% by 2050 from 58.2% in 2001. Thus, there is a need to enhance the level of farm mechanisation
- Promote the rental model of farm machinery and reduce the cost of operations.
- Investing in research and technology for non-cereal crops, removing market barriers, improving post-harvest facilities, and developing a better livestock policy.
- Diversify farmers income generating opportunities by facilitating the development of agricultural sub-sectors like livestock and fisheries.

