



General Studies-3; Topic: Issues related to Agriculture

Growth plan for Indian Agriculture

The centrality of Indian agriculture

- The centrality of agriculture in India goes much beyond employment contribution, where it engages close to 42 per cent of the country's workforce.
- The sector not only feeds the growing Indian population but can alleviate problems of malnutrition and hunger.
- Agriculture supplies inputs for other industries and is critical for triggering a multiplier effect in the economy.
- A financially empowered farming community triggers a demand-led growth, particularly for manufactured products and services.

Growth plan for Indian Agriculture

- The growth process must be more efficient, and inclusive of India's small and marginal farmers.
- It must also be sustainable — both financially and environmentally — and augments farmer incomes.
- The diversity in Indian states, where they differ in the factors of production like land and water.
- They even differ in their vulnerabilities to climate and weather changes.

A recent study on some states to identify the factors that contributed to the growth in Agriculture and issues which constrained it

- The six Indian states include— Punjab, Madhya Pradesh, Gujarat, Uttar Pradesh, Bihar and Odisha.
- Three factors explained most of the agrarian growth in these six states.
 - Access to infrastructure — mainly irrigation and roads.
 - Diversification to high value agricultural products like fruits, vegetables, and allied activities like dairy and poultry.
 - Price incentives or favourable terms of trade.
- Bringing markets closer to farmers and increasing the efficiency of the value-chains emerged as an important factor that explained agricultural growth.

- Role of uninterrupted quality power too emerged important in this.
- Policy reforms, mainly related to marketing, emerged as a key driver and predictor of growth.

Way Forward

- The agriculture sector needs to grow not just for those employed in it but also for the economy as a whole.
- States must move beyond production-centric approach to a value-chain approach with FPOs at its centre.
- Need for higher public investments in basic infrastructure, like roads, markets, power supplies, and agri-R&D.
- Rationalising subsidies (both input and output) via direct income transfer will not only empower farmer but will also give them right signals for efficient use of these resources (fertilisers, power, water).
- This will help put agriculture on a higher growth trajectory, augment farmers' incomes, and promote sustainable development of agriculture.
- Investing in infrastructure, ensuring a more diversified agriculture and linking small-holder FPOs with markets, will pay rich dividends not only to the farming community but also the entire economy.