



Doubling Farmers Income

Why in News

Recently, the Central Government admitted that no **actual assessment of farm income** has been carried out since 2013.

- The Government of India in its [Annual Budget 2016-17](#) set a policy target of **[doubling farmers' income by 2022](#)**.

Key Points

- **About:**
 - Agriculture sustains livelihood for **more than half of India's total population**. Doubling farmers' income in such a short period is an overwhelming task for decision makers, scientists and policy makers because of its **continued role in employment, income and most importantly in national food security**.
 - Doubling farmers' income is possible through **increasing total output** and **better price realization** in the market, **reduction in production costs, diversification of product, efficient post-harvest management, value addition**, etc.
- **Data Related to Indian Farmers:**

WHAT THE INDIAN FARMER OWNS, OWES AND EARNS

CHART 1: THE FARM WORKFORCE

Year	Total engaged in agriculture (% of workforce)	Agricultural labourers (% of agricultural workforce)
1951	69.70%	28.10%
1961	69.50%	69.50%
1971	69.70%	37.80%
1981	60.50%	37.50%
1991	59%	40.30%
2001	58.20%	45.60%
2011	54.60%	54.90%

CHART 2: INDEBTEDNESS BY LANDHOLDINGS (JULY 2012-JUNE 2013)

Land owned (hectare)	Indebted farm household (lakhs)	Average loan amount (Rs)
Up to 0.01	10.02	31100
0.01-0.40	135.97	23900
0.41-1.00	152.16	35400
1.01-2.00	86.11	54800
2.01-4.00	56.10	94900
4.01-10.00	25.21	182700
10 & above	2.92	290300
All India	468.48	47000

CHART 3: INCOME AND INDEBTEDNESS

State	Farm households indebted (%)	Monthly income per household (Rs)
Andhra Pradesh	92.9%	5979
Bihar	42.5%	3558
Punjab	53.2%	18059
West Bengal	51.5%	3980
All India	51.9%	6426

CHART 4: TERMS OF TRADE (FARMER, NON-FARMER)



CHART 5: PROCUREMENT & PRODUCTION, 2018-19

RICE		
State	Produced (1000 tonnes)	% Procured at MSP
Punjab	16,050	70.62%
West Bengal	12,820	15.44%
WHEAT		
Punjab	32,750	38.75%
Bihar	18,240	0.10%

CHART 6: MIGRATION OF FARMERS



CHART 7: SHARE OF FOOD PROCESSING GVA IN TOTAL MANUFACTURING GVA (%)

Country	Share (%)
India (2017)	9.7
Indonesia (2018)	35.5
New Zealand (2013)	34.3
USA (2018)	11.4
France (2018)	16.2

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▪ Related Steps Taken by Government:

◦ Institutional Reforms:

- [Pradhan Mantri Krishi Sinchai Yojana](#), [Soil health card](#), and [Prampragat Krishi Vikas Yojana](#): Aiming to raise output and reduce cost.
- [Pradhan Mantri Fasal Bima Yojana](#): To provide insurance against crop and income loss and to encourage investment in farming.
- [Interlinking of rivers](#) - To raise output and farm incomes.
- [Operation Greens](#): To address price volatility of perishable commodities like Tomato, Onion and Potato (TOP).
- [PM Kisan Sampada Yojana](#): To promote food processing in a holistic manner.

◦ Technological Reforms:

- **Initiating E-NAM:** The [National Agriculture Market \(eNAM\)](#) is a pan-India electronic trading portal which networks the existing [Agricultural Produce Market Committees \(APMCs\)](#) mandis to create a unified national market for

agricultural commodities.

- **Technology mission on cotton:** It aims to increase the income of the cotton growers by reducing the cost of cultivation as well as by increasing the yield per hectare through proper transfer of technology to the growers.
- **Technology Mission on Oilseeds, Pulses and Maize (TMOPM):** Few schemes implemented under TMOPM are: Oilseeds Production Programme (OPP), National Pulses Development Project (NPDP), etc.
- **[Mission for Integrated Development of Horticulture \(MIDH\)](#):** It is a scheme for the holistic growth of the horticulture sector covering fruits, vegetables, root & tuber crops, mushrooms, spices, flowers, aromatic plants, coconut, cashew, cocoa and bamboo.
- **Sugar Technology Mission:** Aimed at reducing the cost of production of sugar and improving sugar quality through steps for improvements in productivity, energy conservation and improvements in capital output ratio.
- **National Mission on Sustainable Agriculture:** It aims at promoting sustainable agriculture through a series of adaptation measures focusing on ten key dimensions encompassing Indian agriculture namely; 'Improved crop seeds, livestock and fish cultures', 'Water Use Efficiency', 'Pest Management', 'Improved Farm Practices', 'Nutrient Management', 'Agricultural insurance', 'Credit support', 'Markets', 'Access to Information' and 'Livelihood diversification'.
- In addition, schemes relating to tree plantation (**Har Medh Par Ped**), Bee Keeping, Dairy and Fisheries are also implemented.
- **Need and Challenges:** To achieve the target of doubling farmers' income by 2022, the [Economic Survey 2021](#) has highlighted few basic challenges which needs to be addressed:
 - **Extension of Irrigation Facilities:**
 - The **coverage of irrigation facilities needs to be extended** while ensuring an effective water conservation mechanism.
 - **Improve Agricultural Credit:**
 - An inclusive approach to provision for agricultural credit has to be undertaken to address the **issue of skewness in its regional distribution**, it said.
 - **Land Reform:**
 - As the proportion of small and marginal holdings is significantly large, **land reform measures like freeing up land markets** can help farmers improve their Income.
 - **Boost to Allied Sectors:**
 - Allied sectors, such as [animal husbandry](#), [dairying](#) and [fisheries](#), need to be given a boost to **provide an assured secondary source of employment and income**, especially for small and marginal farmers.
 - **Farm Mechanisation:**
 - There is also a need to address the **issue of lower farm mechanisation in India** which is only about **40%** as compared to about 60% in China and around 75 % in Brazil.
 - **Improving Food Processing Sector:**
 - More focussed attention" is required to be given to the sector due to its **significant role in reducing post-harvest losses** and creation of an additional market for farm outputs.
 - The [food processing sector](#) is growing at an average annual growth rate of more than 5% over the last six years ending 2017-18.
 - **Exploring Global Markets:**
 - There is a need to give increased focus on exploring global markets for agricultural commodities to **give an additional source of market for the surplus of**

agricultural produce India currently has.

- **Reallocation of Labour:**
 - There is also a need to **reallocate labour resources to other sectors.**
 - Though the structural transformations involved a falling share of the agriculture sector and rising share of services sector jobs, more needs to be done to **create manufacturing jobs to absorb the large pool of workers.**
- **Other Issues:**
 - Issues such as investment in agriculture, **insurance coverage, water conservation, improved yields through better farming practices, access to market, availability of institutional credit, increasing the linkages between agricultural and non-agricultural sectors** need urgent attention.

Way Forward

- The low level of farmers' income and year to year fluctuations in it are a **major source of agrarian distress.**
- To secure the future of agriculture and to improve the livelihood of half of India's population, adequate **attention needs to be given to improve the welfare of farmers** and raise agricultural income.
- It is essential to **mobilize States and UTs to own and achieve the goal of doubling farmers' income** with active focus on capacity building (technology adoption and awareness) of farmers that will be the catalyst to boost farmers income.
- The [National Sample Survey Office's](#) last survey on agricultural households was conducted in 2013. There has been no further assessment of the farmers income. Therefore there is an **urgent need to track the progress of farmers.**

Source: TH

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