



Mains Practice Question

Q. Farm reform is the need of the hour to achieve the welfare of the agriculture sector. Discuss the statement with reference to the present state of agriculture. (250 Words)

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Approach

- Start by writing the present state of the agriculture sector.
- Discuss the issues prevalent in the present day farm sector.
- Suggest some measures.
- Conclude suitably.

Introduction

Agriculture is the primary source of livelihood for more than 50% of India's population. Gross Value Added by agriculture, forestry, and fishing was estimated at Rs. 19.48 lakh crore (USD 276.37 billion) in FY20. Share of agriculture and allied sectors in gross value added (GVA) of India at current prices stood at 17.8 % in FY20.

Moreover, the Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. However, farm reforms are needed to resolve some issues in the current agri sector.

Body

Issues Emerged With Current Setup

- **Varying Yields Across States:** There is a large gap in rice and wheat yields between Green revolution states and the farm districts in the rest of the country even after five decades of the Green Revolution.
- **Lack of Infrastructural Development:** There is severe unevenness in the provision of common goods across districts — irrigation, roads, power, etc.
 - Combined with the absence of well-functioning markets for agricultural land, crops, and inputs, the slow labour reform, and the poor quality of education have reduced overall resource mobility within and across farming districts.
- **Lack of Effective Decentralised:** The real promise of a decentralised system — of experimentation, of learning from each other, and the adoption of best-practices and policies — has largely failed to materialise.
 - Instead, Indian agriculture since Independence has remained highly fragmented.
- **Degradation of Natural Resource:** The various input subsidies and minimum price guarantee procurement schemes provided by the state have worked to worsen the overall levels of productivity and the risk in agriculture, generating adverse effects, through the degradation of water resources, soil, health, and climate.
- **Food Security at Cost of Agricultural Sector:** Ironically, “food security” has been brought at the cost of an agricultural sector that captures all the stakeholders - farmers, households,

consumers, traders, firms, and the state — with lower levels of individual welfare and higher levels of overall risk.

Measures to deal with the issues

- **Maximising Income, Minimising Risk:** The three farm laws, passed recently, are only a part of the far wider set of economic reforms that will be needed to stabilise Indian agriculture.
 - The guiding principle for these reforms must be to create conditions that allow farm households to maximise their income while minimising the overall level of risk in Indian agriculture.
- **Liberalised Farming:** Farmers must be made free to determine the best mix of resources, land, inputs, technology, and organisational forms for their farms.
 - Farmers, just as entrepreneurs in the non-farm sector, must be allowed to enter and exit agriculture, on their own terms and contract with whomever they wish.
- **Improve Agricultural Institutions And Governance Systems:** Need to clarify roles and responsibilities at central level by bringing key policy areas under a single umbrella.
 - Strengthen coordination among central ministries and agencies and between the centre and the states.
- **Kind of Decentralised System:** Need fundamental reforms that allow for greater mobility of farmers and agricultural resources across the country.
 - Within a true decentralised polity, a farmer in Assam ought to benefit as much from the “Punjab model” as do farmers in Punjab, and vice-versa.

Conclusion

India's agro-food sector is at a critical juncture, facing multiple challenges and multiple opportunities. The required reforms if implemented, would help India improve food security for its vast population, advance the quality of life of its millions of smallholders, overcome severe resource and climate pressures, while generating sustainable productivity growth and creating a modern, efficient and resilient agro-food system that can contribute to inclusive growth and jobs throughout the economy.