



Agriculture distress in India and government initiatives

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Abstract

Agriculture remains the most important sector in boosting the economy of the country. It is because people get maximum employment only in agriculture and its ancillary industries. Agriculture sector is vital for the growth of national economy as it contributes around 16.5 per cent in Gross Domestic Product, provided livelihood to 48.7 per cent of the people depends on agriculture in India and contributes 13 per cent to exports. Even today 66.1 per cent of the cropped area is still depends on the uncertainty and vagaries of monsoons. Additionally, agriculture sustains and provides food and nutritional security for a 1.32 billion strong nation in a self-reliant mode. The agriculture distress is palpable. Indian agriculture still suffer from uneconomic holdings, low yields, output instability, rain-fed farming, indebtedness, inadequate institutional credit, distress sales, low farm incomes. The total area under farming fell from 159.6 million hectares (Mha) to 157.14 Mha. Small and Marginal farmers (owning less than two hectares) accounts for 86.2

There is every need to increase agricultural production and productivity to safe guard the food security to the growing population. India is forwarding towards self-sufficiency in food grains at the same time farmers are facing many problems regarding uncertainty in claimatical conditions on one hand and on the other hand farmers are not getting remunerative prices to their farm products. Government support is inevitable in this regard to withstand in the farm sector. Agriculture is the culture of Indians and the only sector that will help the food security and the way of life. Hence, Government will liberally allocate financial assistance and support to promote agriculture and to protect the farmers in India.

Keywords: agriculture distress, nutritional security, indebtedness, minimum support price

Introduction

Agriculture remains the most important sector of the Indian economy. It is because people get maximum employment only in agriculture and its ancillary industries. Agriculture sector is vital for the growth of national economy as it contributes around 16.5 per cent of the Gross Domestic Product, 13 per cent to exports and 55 per cent to employment. Even during the distress of COVID-19 or Corona virus pandemic, among many other economic sectors, agriculture emerged as the only bright spot with the positive growth. Additionally, agriculture sustains food and nutritional security for a 1.32 billion strong nation in a self-reliant mode.

A total of 66.1 per cent of the cropped area in the country still dependence on the uncertainties of monsoon for their irrigational requirements. Indian Agriculture is still highly susceptible to vagaries of monsoon causing uncertainty in agricultural production and productivity in India is often attributed as gambling with monsoon. The agriculture sector is exposed to variety of risks which occur with high frequency. These include climate and weather risks the failure of monsoons can lead to a series of droughts, lack of better prices and exploitation of the farmers by middlemen. Non-availability of sufficient agriculture credit, a few factors have contributed to farmer's suicides of which family problems, insecurity, illness, drug abuse/alcohol addiction, bankruptcy, indebtedness property disputes and illiteracy. Cropping pattern and increasing insecurity in the production of commercial crops such as Cotton, Chillies, etc. Input costs increasing, crop failure and marketing problems distress sales are also caused to low farm income. Natural calamities on one side and manmade manipulations are caused to agricultural distress conditions. To overcome the problems the farmers are struggling with natural disasters and other calamities. Government intervention is inevitable to tackle the situation and the necessary steps to safe guard the interests of the farmers to with stand in the agricultural sector. In agriculture sector crop failures, indebtedness, non-remunerative prices, and low returns have resulted in agrarian distress in most parts of the country. The Indian agriculture sector confronted with high input cost, flawed Minimum Support Price calculation and non-inclusive crop insurance scheme, high price volatility, climate risk, and indebtedness.

Agriculture sector is the lifeline of the farmers. Agriculture is still suffer from uneconomic holdings, increasing input costs, low yields, output instability, rainfed farming, problems facing marketing of agricultural products, indebtedness and inadequate institutional credit, low farm incomes leads to backwardness of the dry land agriculture farming. This leads to shifting from farming to non-farming activities and migration of farmers from the villages to cities for their livelihood. Due to agriculture distress farmer's lives and livelihoods disturbed to some extent, the government initiatives will help the farmers to remain in the agriculture. On the whole, there are diversified causes that are responsible for distress among the farmers. Review of literature of the earlier studies

thrown much light on the miserable plight of the farming community in our country. Taking a cue from the results of the earlier researchers, a sincere effort is made to deliberate upon the issues of distress in agriculture.

Against the background an attempt is made in this paper to discuss about the nature of agriculture distress in India along with government initiatives and remedial measures to come over from the agriculture distress. Certain policy measures are given at the end.

The Indian farmers are not getting remunerative prices for their produce in the market on account of several defects in the agricultural marketing. There are a large number of middlemen between the farmers and the merchants. Our farmers are exploited and deceived by the traders and middlemen due to illiteracy, absence of price-lists and false weights and measures. This is due to the prevalence of several defects in our agricultural marketing. Indian farmers do not have facilities to store their agricultural produce properly. The storage facilities which are available in the villages at present are so scanty and that to between 10 per cent to 20 per cent of the agriculture produce is eaten away by rats etc. So the farmers are so anxious to sell their produce soon after the harvest. The prices will be generally lower during the harvest season. So that the farmers get lower prices for their agriculture produce.

1. Nature of Agriculture Distress in India

While the definition of distress has to necessarily remain at the household level because each household might have differing risk absorption capacity, as well as, endowments to deal with set backs, it is also important to see if there are any macro parameters that may cause large scale distress at the household level. In this context, the definition of the Government of India while announcing the Farm Credit Package on June 18, 2004 could be examined.

1.1. Agricultural distress and Climate Change

Climate change has an adverse impact on agricultural sector in different ways-increased variability in temperature, rainfall, extreme weather events like drought and flood. These incidences ultimately hit the farm community in very negative way. In view of water scarcity, irrigation expansion is of great importance. To fight out these uncertainties development of a climate resilient agro-system is the need of the hour.

It is in this backdrop that the new concept of Climate Smart Agriculture (CSA) has emerged. It is an approach that helps to guide actions needed “to transform and reorient agricultural systems to effectively support development and ensure food security under changing climate”. It aims to provide stakeholders the means to identify agricultural strategies suitable to their local conditions. The CAS aims to tackle three main objectives. They are Sustainability increasing agricultural productivity and incomes. Adapting and building resilience to climate change and Reducing and /or removing greenhouse gas emissions wherever possible.

Though, this new concept is at anascent stage in India, the Government has already started taking policy initiatives in the direction. At present, climate resilient technologies are under KVK (Kisan Vikas Kendra) covering 23 states under National Innovations on Climate Resilient Agriculture (NICRA). In addition,623 contingency plans have been prepared to manage various weather aberrations such as droughts, floods, cyclones, hailstorms, heat and cold waves.

The agricultural sector is witnessing a serious crisis of distressed conditions in many parts of India, especially during the last one decade. These trends are found to be more in agriculturally advanced parts (States) of India like Andhra Pradesh, Maharashtra, Karnataka and Punjab. However, the reasons for distress differ from one state to other. In this context, the research of various studies on irrigation and rainfed land in different areas, in-depth analysis and observations helpful to understand the agricultural status in the study regions. The available literature will help to broaden the scope and nature and immense use to successive research.

The small and marginal farmers(around 126 million in number) own about 74.4 Mha of land or an average land holding of just 0.6 hectares each- not enough to produce surpluses which can financially sustain their families, explaining the rising distress in Indian Agriculture.

1.2 Government Initiatives and measures to control the distress

Several measures are taken up by government of India and State governments to control the distress situation in India and few important measures are discussed here.

Government Steps to reduce Agrarian Distress in several ways of which few are discussed here to better understanding of the agriculture distress and to strengthen the farming community to withstand in the agricultural sector.

1. Soil Health Card Scheme

The Soil Health Card scheme was launched by the Government of India in February 17, 2015. Under the scheme, The government issue soil cards to farmers, which will carry crop-wise recommendations of nutrients and fertilizers required for the individual farms to help farmers to improve productivity through judicious use of inputs. All soil samples are tested in various mobile soil-testing labs across the country. Launched in 2015, the scheme has been introduced to assist State Governments to issue Soil Health Cards to all farmers in the country. The soil health cards provide information to farmers on nutrient status of their soil along with recommendation on appropriate dosage of nutrients to be applied for improving soil health and its fertility. It will also contain corrective measures that a farmer should adopt to obtain better yields. Soil health cards have been issued free of

cost to 10.74 crore farmers in first cycle, i.e., 2015-16 to 2016-17 and 11.75 crore farmers in second cycle, i.e., 2017-18 to 2018-19 under a nationwide programme.

2. Neem Coated Urea (NCU)

Neem Coated Urea introduced since 2015-16 for reduced use of chemicals, unproved soil health, overall increase in crop yields and reduction in the use of urea for non-agricultural purposes. This Scheme being promoted to regulate use of urea, enhance availability of nitrogen to the crop and reduce cost of fertiliser application. NCU slows down the release of fertilizer and makes it available to the crop in an effective manner. The entire quantity of domestically manufactured and imported urea is now neem coated. The reports from field are positive. The expected saving is 10 per cent of urea consumption, thereby resulting in reduced cost of cultivation and improved soil health management. (3 fertiliser subsidy), which encourages excessive use of chemical fertilizers. Excessive and imbalanced use of fertilizer at present is adversely impacting the environment as well as public health.

The Finance Minister stressed the need for encouraging balanced use of all kinds of fertilizers including the traditional organic and other innovative fertilizers. She stressed the need for taking necessary steps to change the prevailing incentive regime in terms of providing

3. Rainfed Area Development Programme (RADP)

RADP was started as a sub-scheme under the Rashtriya Krishi Vikas Yojana (RKVY)

The aim was to improve quality of life of farmer's especially, small and marginal farmers by giving a complete package of activities to maximize farm returns. It also help in increasing agricultural productivity of rainfed areas. In a sustainable way by adopting suitable farming system based approaches. It minimizes the adverse impact of possible crop failure because of drought, flood or un-even rainfall distribution through diversified and composite farming system. The programme also helps in increasing farmer's income and livelihood support for reduction of poverty in rainfed areas.

It was Launched on 1st July, 2015 with the motto of "Har Khet Ko Paani", the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) is being implemented to expand cultivated area with assured irrigation, reduce wastage of water and improve water use efficiency. The government focus on cultivation of pulses and expansion of micro-irrigation through Krishi Sinchai Yojana, have raised the self-reliance of the country. PMKSY not only focuses on creating sources for assured irrigation, but also creating protective irrigation by harnessing rain water at micro level through "Jal Sanchay" and Jal Sinchan'. Micro irrigation is also incentivized through subsidy to ensure 'Per drop-More crop'. The target under micro-irrigation for the year 2016-17 was 8 lakh ha. against which 8.39 lakh ha have been covered.

The government has provided energy sovereignty through Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM) and input sovereignty through paramparagat Krishi Vikas Yojana besides providing direct income support (Rs.6000 per annum per farmer) under PM-KISAN along with providing resilience to 6.11 crores farmers insured under PMFB.

4. Rashtriya Krishi Vikas Yojana (RKVY)

Rashtriya Krishi Vikas Yojana scheme was initiated in 2007 as an umbrella scheme for ensuring holistic development of agriculture and allied sectors by allowing states to choose their own agriculture and allied sector development activities as per the district/state agriculture plan.

5. Rajiv Gandhi Kisan Nyay Yojana

Rajiv Gandhi Kisan Nyay Yojana is a scheme for the farmers of Chhattisgarh. The scheme aims to ensure minimum income availability to cultivators growing 1 rabi and 13 kharif season crops in the state.

6. Paramparagat Krishi Vikas Yojana (PKVY)

Paramparagat Krishi Vikas Yojana (PKVY) is being implemented with a view to promote organic farming in the country. This will improve soil health and organic matter content and increase net income of the farmers so as to realize premium prices. Under this scheme, an area of 5 lakh acre is targeted to be covered through 10,000 clusters of 50 acre each, from the year 2015-16 to 2017-18. So far 7208 clusters would be formed during 2017-18.

7. Electronic National Agricultural Market (e-NAM)

The National Agricultural Market Scheme (e-NAM) envisages initiation of e-marketing platform at national level and to support creation of infrastructure to enable e-marketing in 585 mandis across 16 states and 2 Union Territories. e-NAM is an innovative initiative in the marketing of agriculture, to improve farmers access to many markets and buyers digitally and to bring transparency in trade transactions for Agri-produce. As on 31st October, 2021, 1.7 crore farmers and 1.98 lakh traders have registered themselves on the e-NAM platform. The total value of agri-produce traded on e-NAM is Rs. 1, 50,664 crore. This innovative market process is revolutionizing agriculture markets by ensuring better price discovery, bringing in transparency and competition to enable farmers to get improved remuneration for their produce. However, logistic uses like transportation of agro-produce, warehousing and supply chain difficulties have restricted adequate transactions through e-NAM.

8. Pradhan Manthri Fasal Bhima Yojana (PMFBY)

(2014) and Restructured Weather Based Crop Insurance Scheme (RWBCIS) were launched from Kharif 2016 to provide comprehensive crop insurance coverage from pre-sowing to post harvest losses against non-preventable natural risks. These schemes are only risk mitigation tools available to farmers at extremely low premium rates payable by farmers at 2 per cent for Kharif crops, 1.5 per cent for Rabi food and oilseed crops and 5 per cent for annual commercial/horticultural crops. The balance of actuarial premium is shared by the Central and State governments on 50:50 basis. The schemes are voluntary for States and available in areas and crops that are notified by the State Governments. Further, the schemes are compulsory for loanee farmers and voluntary for non-loanee farmers. One of the objectives of the scheme is to facilitate prompt claims settlement. The claims must be settled within two months of harvest subject to timely provision of both yield data and share premium subsidy by the State Government.

During Kharif 2016 season, a total of 23 states implemented both PMFBY (21) and RWBCS (12) and during Rabi 2016-17, 24 States and 3 Union Territories implemented PMFBY (25) and RWBCIS (9). Overall coverage of both the schemes is 401.52 lakh farmers and 385 lakh ha. Area insured for a sum of Rs.133106 crore in Kharif and 172.67 lakh farmers and 195 lakh ha. area insured for a sum of Rs71696 crore during Rabi 2016-17 season.

Pradana Mantri Fask Bima Yojana (PMFBY) has completed four years of its implementation covering over 23 crore farmer applications and benefiting over 7.2 crore applicants. During this period nearly Rs.17,450 crore were paid by farmers as their share of premium against which claims of over Rs. 87,000 crore have been paid to them. This means that for every Rs.100 of premium paid by farmers, they have received Rs.532 as claims.

H. Interest Subvention Scheme (ISS)

The Government provides interest subvention of 3 per cent on short-term crop loans up to Rs.3.00 lakh. Presently, loan is available to farmers at an interest rate of 7 per annum, which gets reduced to 4 per cent on prompt repayment. Further, under Interest Subvention Scheme 2016-17, in order to provide relief to the farmers on occurrence of natural calamities, the interest subvention of 2 per cent shall continue to be available to banks for the first year on the restructured amount. In order to discourage distress sale by farmers and to encourage them to store their produce in ware houses against negotiable warehouse receipts, the benefit of interest subvention will be available to small and marginal farmers. Micro Irrigation fund scheme has created by National Bank for Agriculture and Rural Development (NABARD) with Rs.5,000 crore, which implemented from 2019-2020.

9. Micro Irrigation Fund (MIF)

Micro Irrigation Fund has created by National Bank for Agriculture and Rural Development) NABARD with Rs.5000 crore (Rs.2000 crore for 2018-19 and Rs.. 3000 crore for 2019-20) for encouraging public and private investments in Micro irrigation. The main objective of the fund is to facilitate the States in mobilizing the resources to increase the coverage under micro irrigation through special and innovation projects.

MIF would not only facilitate states in incentivizing and mobilizing resources for achieving the target envisaged under PMKSY_PDMC but also in bringing additional coverage through special and innovative initiatives by State Governments. An Advisory Committee has been set up to provide policy direction and ensure effective planning, coordination and monitoring of the Micro Irrigation Fund. The Micro Irrigation Fund (MIF) and the steering committee of NABARD have approved projects worth Rs.3805.67 crore for covering 12.53 lakh hectares.

10. Agriculture Contingency Plan

Central Research Institute for Dry land agriculture (CRIDA),ICAR has prepared district level Agriculture Contingency Plans in collaboration with state agricultural universities using a standard template to tackle aberrant monsoon situations leading to drought and floods, extreme events(heat waves, Cold waves, frost, hailstorms, cyclone) adversely affecting crops, livestock and fisheries including horticulture). Total 614district agriculture contingency plans are placed in the 'farmer portal' of the Ministry of Agriculture and Farmers Welfare, Government of India.(<http://www.farmer.gov.in> and also in the ICAR/CRIDA website (<http://www.crida.in>) for down loading the full plan by stakeholders for operational use. rainfed Area Development Programme (RADP) was implemented as a sub-scheme under Rashtriya Krishi Vikas Yojana (RKVY).

11. National Mission for Sustainable Agriculture (NMSA)

National Mission for Sustainable Agriculture is one of the eight Mission under National Action Plan on Climate Change (NAPCC). It aims at promoting sustainable Agriculture through climate change adaptation measures, enhancing agriculture productivity especially in rainfed areas focusing on integrated farming and health management and synergizing resource conservation. NMSA as a programmatic intervention caters to Mission Deliverables that focuses mainly on conservation agriculture to make farm sector more productive sustainable, remunerative and climate resilient by promoting location specific integrated /composite farming systems. Presently the Government of India is targeted the doubling farmers income the schemes are tuned in accordance with increase in production and also to income generating crops so that the farming is more viable, agriculture is a boon but not a curse to the Indian farmers.

12. PM – AASHA

A new scheme, Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) has been launched. It is the first of its kind. The scheme is meant to plug the holes in the procurement system and address the gaps in the Minimum Support Price scheme. At present, the MSP benefits only a small section of the farming community. The new scheme involves direct procurement from farmers, paying them for losses incurred when market prices crash. There is another scheme Pilot of private Procurement and Stockiest Scheme (PPSS). Under this, the government is mulling to allow the entry of private players in the procurement of oilseeds on a pilot basis.

13. Micro Irrigation Fund Scheme

Micro Irrigation fund scheme has created by National Bank for Agriculture and Rural Development (NABARD) with Rs.5,000 crore, which implemented from 2019-2020. Micro Irrigation Fund with a corpus of Rs.5000 crore was operationalized in NABARD from

Micro irrigation is a low pressure, low flow rate type of irrigation that can reduce the likelihood of overwatering a landscape. This form of irrigation delivers water directly to where it is needed most the root zone of plants. The four main types of irrigation.

- Surface irrigation is arguably the easiest and the most commonly used type of irrigation.
- Sprinkler irrigation uses a series of pipes to move water from the source to especially designed spray heads..
- Subsurface irrigation
- Drip irrigation

Advantage of micro irrigation Systems

More crop for every drop, early maturity, better quality and higher yield. Ideal for terrain with problematic

14. PM Kisan Samman Nidhi Yojana

PM Kisan Samman Nidhi is an initiative by the government of India in which all farmers will get up to Rs.6000 per year as a minimum income support. The Initiative was announced by Piyush Goyal during the 2019 Interim Union Budget of India on 1 February 2019.

15. Pradhan Mantri Kisan Maan-Dhan Yojana (PM-KMY)

PM-KMY Scheme in India is a central government scheme for farmers who are between 18 to 40 years of age. The member who avails the benefits of the PM- of KMY Scheme has registered under the Pension Fund, which is managed by the Life Insurance Corporation of India. LIC becomes the Pension Fund Manager for PM Kisan Maan-Dhan Yojana, which helps to assure all small and marginal farmers of Rs.3,000 as per monthly pension after the age of 60 years. It aims to save and secure the lives of around 5 crore small and marginal farmer in India.

16. Gramin Bhandaran Yojana

The main purpose of Gramin Bhandara Yojana is to meet the requirements for farmers to store farm crops and agricultural implements.

17. PM Kisan FPO Yojana

The Farmer Producer Organization scheme (FPO) stands for Farmer Producer Organization provides end-to-end support and services to the small farmers, and cover technical services, marketing, processing and others aspects of cultivation inputs. The idea behind the FPO was that “farmers, who are the producers of their agricultural products, can form the groups and can register themselves under the Indian Companies Act. According to a 2020-2021 NABARD publication, around 5000 FPOs are operating in the country. Around 3721 FPOs are registered as farmer producer companies and the remaining as cooperatives/societies etc. The FPOs should be run by professionals.

Scheme for formation and promotion of 10,000 FPOs with a total budgetary provision of Rs.6,865 crore has been launched on 29-2-2020. Under the scheme, formation of 10,000 FPOs across the country is targeted in five years period till 2023-24, while providing adequate handholding to each FPO for five years from the formation for which support will continue till 2027-28. An amount of Rs.40.16 crore has already been released in 2020-21 towards formation of FPOs.

18. The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)

Scheme was launched in 2019 to provide income support to all landholder farmer families across the country with cultivable land, subject to certain exclusions. Under the Scheme, an amount of Rs. 6000 per year is released in 240 Economic Survey 2020-21 Volume 2 three instalments of Rs. 2000 each directly into the bank accounts of the beneficiaries. Ever since this scheme started, as on 25.12.2020, more than ` Rs.1.10 lakh crore have reached the account of farmers. An amount of ` 18000 crore have been deposited directly in the bank account of 9 crore farmer families of the country in December, 2020 in the 7th instalment of financial benefit under the scheme.

An amount of Rs.18000 crore have been deposited directly in the bank account of 9 crore farmer families of the country in December, 2020 in the 7th installment of financial benefit under the PM-KISAN scheme. Since the

inception of the Scheme, more than Rs.1,10,000 crore have been released so far and 10.59 crore farmer families have been benefited.

Rythu Bandhu launched from Kharif 2018, this Government of Telangana scheme provides investment support of Rs.4,000 per acre per season (for two seasons) to all farmers (55 lakh) towards purchase of inputs like seeds, fertilizers, etc. as initial investment before the crop seasons. It is estimated to support 55 lakh farmers in the state. This scheme is independent of the Income Support to Farmers through various Schemes

Taking clues from the Central government, some states have also launched income or investment support schemes in recent times which are of two kinds- inclusive or exclusive of the PM-KISAN as given below:

Table 1: Cash support Schemes to Farmers by Central Government and State Governments

Sl. No.	Name of the Scheme	Centre	State	Amount
1.	Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	2018 Kharif season		Rs. 6000 per Year (in three equal instalments of Rs.2000 each)
2	Rythu Bandhu	---	2018 Kharif season	Rs.4000 per acre per season (for Two seasons)
3	The Krushak Assistance for Livelihood and Income Augmentation(KALIA)	----	2018-19 Rabi season onwards	
4	Krishk Bandu	==	2018-19 Rabi season West Bengal	Rs.10,000 per Year (including land less farmers)
5	Rythu Barosa	PM-KISAN + Andhra Pradesh State Government	2019-20 Kharif season	Rs 13,500/- (Five acres of land holders) Rs.6000+7500=13,500

Some States have introduced farm supported schemes, examples being The Rythu Bandhu Scheme in (Telangana), Rythu Barosa Scheme in (Andhra Pradesh), and the Krushak Assistance for Livelihood and Income Augmentation (KALIA) scheme (Odisha), Krishk Bandu in (West Bengal). To protect the interest of the farmers the above schemes are more popular in their respective states.

Agriculture reforms will transform rural economy

The three policy reform undertaken by the central Government through the three new Acts is in keeping with the changing times and requirements of farmers and farming” Chand said in his recent working paper.

Farmers the choice to sell their produce within Agricultural Produce Market Committee (APMC) markets or outside them; to private channels, integrators, farmer producer organizations (FPOs) or cooperatives; through a physical market or on an electronic platform; and directly at farm or anywhere else. ”It has no intent or provision to tamper or dilute MSP and poses no threat by itself to APMC markets”, he clarified.

The threat to APMC mandis and their business is from excessive and unjustified charges levied by states in these markets. ”The new FPTC Act will only put pressure on APMC markets to become competitive,” he said, adding this will ensure healthy competition”, he said, adding this will ensure healthy competition between APMC mandis and other channels permitted under the anew Act with significant gain to farmers.

Talking about the impact of the Farmer’s Empowerment and Protection Agreement on Price Assurance and Farm Services Act, Chand said the Act is inclined towards farmers. “The Act will promote diversification, quality production for premium price, export and direct sale of produce with desired attributes to interested consumers,” It will also bring new capital and knowledge into agriculture and pave the way for farmers’ participation in the value chain..

Commenting on the modification in the Essential Commodities Act (ECA) for a group of agri-food commodities, Romesh Chand clarified that the modification specifies transparent criteria in terms of price trigger for imposing ECA rather than leaving it to arbitrary decisions by bureaucrats to invoke the Act. The modification in ECA will attract much-needed private investments in agriculture from input to post-harvest activities,

Talking about the fiscal benefits to farmers, It is also noticed that by removing all kinds of charges and levies on sale and purchase of farm produce, the new Central Act saves significant cost to buyers and thus improves the prospects of payment of MSP by private traders to farmers. In contrast to this, any move by the states to counter the Central Act and giving a legal status to MSP while keeping market fee, user charges, commissions, cess, etc., intact will work against private traders giving MSP to farmers, by making purchase price costlier,. Now a days agriculture sector is facing formidable challenges and a large number of farmers want to quit agriculture due to climatic change, vagaries of monsoons, failure of crops, high labour costs, increasing farm costs and unremunerative prices etc.,

Conclusion

There is every need to increase agricultural production and productivity to safeguard the food security to the growing population. India is forwarding towards self sufficiency in food grains at the same time farmers are facing many problems regarding uncertainty in claimatical conditions on one hand and on the other hand farmers are not getting remunerative prices to their farm products. Government support is inevitable in this regard to with stand in the farm sector. Agriculture is the culture of Indians and the only sector that will help the food security

and the way of life. Hence, Government will liberally allocate financial assistance and support to promote agriculture and to protect the farmers from distress conditions.

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