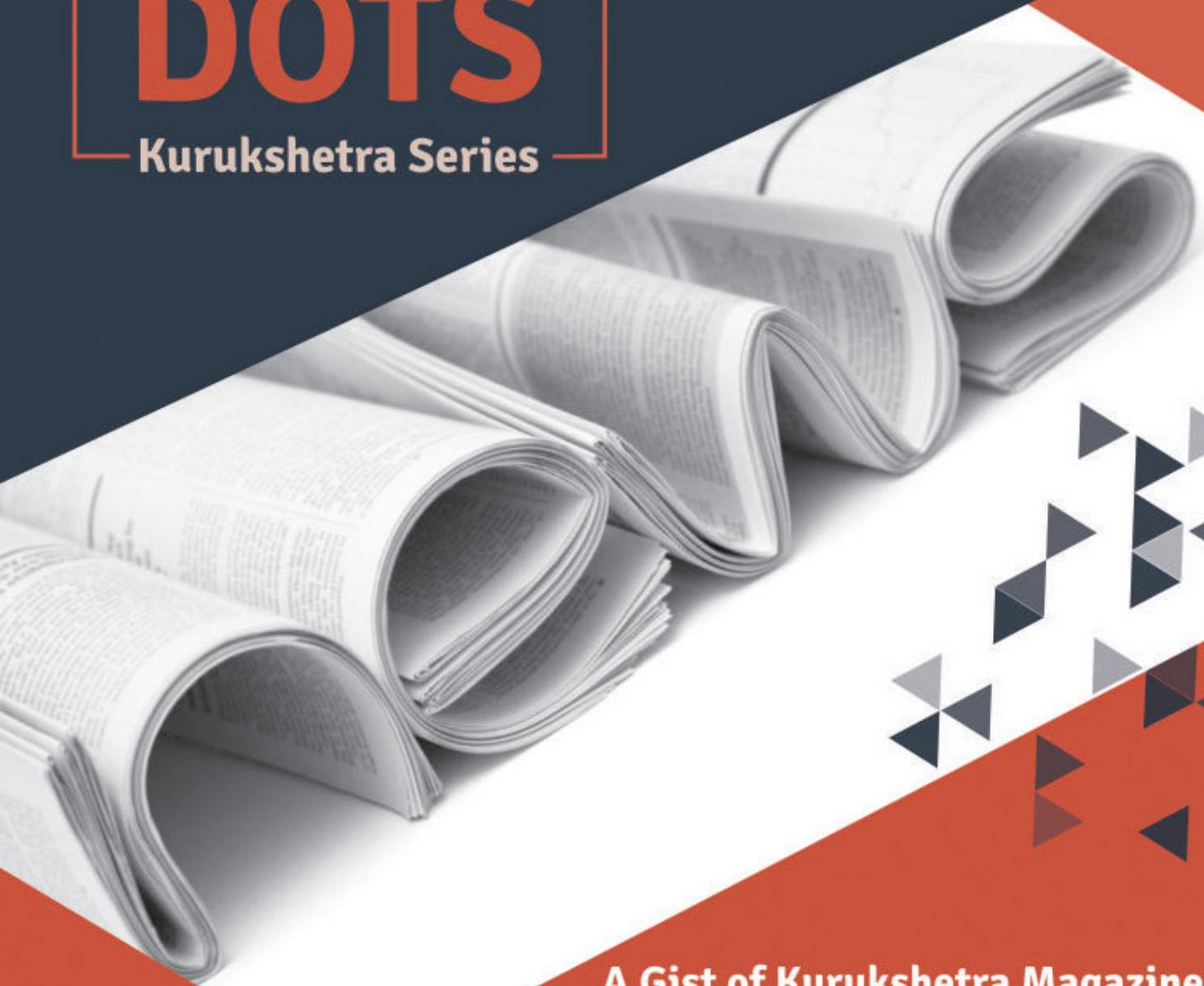


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A Gist of Kurukshetra Magazine (August 2020 Issue)

- Rebooting the Rural Economy
- Atma Nirbhar Bharat and Schemes In Sync With It
- Doubling Farmers' Income - Initiatives Taken So Far
- Food Processing - Potential Driver of Agri-Business



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Kurukshetra Compendium

August, 2020

Rural Economy

Rebooting Rural Economy

- The economic behaviour of the developed and developing countries have been hugely hit by the pandemic COVID-19. India, with its visionary steps in all segments of the economy, has been taking many bold steps to sustain the economy even during the crisis.
- In view of the fact that India has an estimated 497 million workers, of which about 94 percent work in the private or unorganised sector, the government is emphasising more on the unorganised sector which primarily affects the rural economy.
- With many strategic and utilitarian schemes aimed at rebooting and boosting the rural economy to achieve doubling of farmers' income, the government has now written a new chapter in the history of Indian economy by launching Atma Nirbhar Bharat Abhiyaan (Self-Reliant India Mission) with a huge package of
- Rs. 20 lakh crore to accelerate the pace of growth in rural economy by introducing systemic changes in the near future

COVID-19 Pandemic and the Economy:

- With the outbreak of COVID-19 pandemic, the world has witnessed unprecedented crisis in the areas of consumption, manufacturing, exports, and capital flows, which has posed numerous challenges before the economy in general and the rural economy in particular.
- Considering the impact of slowdown on these four issues, the Government of India launched 'Self-Reliant India Mission' with special focus on health care, employment and financial support.
- The package provides enough budget for emergency healthcare requirements of the hospitals, safeguarding the employees and employment during the crisis as well as post-crisis, and for the support of the poor and vulnerable sections in the form of

Doubling of Farmers' Income (DFI) by 2022:

- The Government of India has set a target of doubling the farmers' income (DFI) by the year 2022.
- To administer this strategically, the Government has set up the Inter-Ministerial Committee on Doubling Farmers' Income (DFI) to examine and prepare the blueprint considering all the issues and challenges relating to DFI.
- The Committee identified seven sources to double farmers' income by 2022 which include;

Within the Domain of Agriculture:

- a) Improvement in crop productivity;
- b) Improvement in livestock productivity;
- c) Efficiency in the use of resources/savings in the cost of production;
- d) Increase in the cropping intensity;
- e) Diversification towards high value crops; and
- f) Improvement in real prices received by farmers.

Outside the Domain of Agriculture Shift from farm to non-farm occupations (like backyard poultry; goat rearing; fisheries; income.)

This whole DFI drive is challenging but it is certainly attainable if

- development initiatives
- technology and
- policy reforms in agriculture are focused to achieve increase in the farmers'

Several steps have already been taken to implement the recommendations of DFI Committee (to double the farmers' income).

These include:

- Advocating progressive market reforms through the State Governments and Union Territories;
- Supporting contract farming through the State Governments by promulgating of Model Contract Farming Act, Up-gradation of Gramin Haats to work as centers of aggregation and for direct purchase of agricultural commodities from the farmers;
- Providing e-NAM to farmers which is an electronic online trading platform;
- Distributing soil health cards to farmers so that the use of fertilizers can be rationalised;
- Increasing water efficiency through Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)-"Per drop more crop";
- Better insurance coverage to crops for risk mitigation under Pradhan Mantri Fasal Bima Yojana (PMFBY);
- Making loans available to farmers at a reduced rate of 4 percent per annum and extending the facility of Kisan Credit Card (KCC) for animal husbandry and fisheries related activities to the farmers;
- Increase in the Minimum Support Price (MSPs) for all Kharif and Rabi crops; and
- Providing old age pension of Rs. 3000 to the eligible small and marginal farmers and cover around 5 crore beneficiaries in the first three years. dairy; vegetables-fruit, processing, etc. which value-yielding). and food are high

Aatmanirbhar Bharat Abhiyaan

- The concept of Atma Nirbhar Bharat Abhiyaan was integrated with the announcement of the economic package to tackle the coronavirus pandemic on 12th May 2020.
- The policy initiatives of the mission were announced by the Finance Minister in five tranches from 13th May to 17th May, 2020. Under the mission, special provisions have been made for the poor, including migrants and farmers. Some of these are listed below.
- 25 lakh new Kisan Credit Cards sanctioned with a loan limit of Rs. 25,000 crore. It will, in turn, incentivise the rural farmers to continue their farming without being affected by the pandemic;
- Approximately 63 lakh loans or worth Rs. 86,600 crore approved in agriculture between March, 2020 to April, 2020;
- Further, the support of Rs. 4,200 crore is also provided under Rural Infrastructure Development Fund to states during March, 2020 for rural infrastructure;
- The government has also announced Rs. 3 lakh crore Emergency' Credit Line Guarantee Scheme (ECLGS) especially for the Micro, Small and Medium Enterprises (MSMEs) to come out of the stress created by the pandemic. Through this scheme, loans will be sanctioned by 12 public sector banks and 16 private sector banks to the MSME borrowers.
- Along with that, various benefits have also been given under the MUDRA scheme. Rs. 1,500 crore Shishu loan shall be provided along with an interest discount of 2 percent for fast recipients for a period of 12 months. This move will encourage the entrepreneurs to invest in the Shishu industries.
- MGNREGA has emerged as an efficient tool to fight the unemployment crisis especially in the rural sector. Recently, the wage rate under MGNREGA has been increased to Rs. 202 (from Rs. 182).
- Moreover, free food grain supply (5 kg of grains per person and 1 kg Chana per family per month) is also being provided to the migrants. The free food grain supply is also extended to the existing beneficiaries of Pradhan Mantri Garib Kalyan Ann Yojana in addition to their existing entitlements.
- Migrant workers are seriously affected by the outbreak of novel CoronaVirus as majority of them were forced to go back to their native places without any certainty about the source of income to meet their needs.
- Keeping this under consideration, Government of India has made provision for migrant workers to access the Public Distribution System (PDS) through One Nation One Card scheme;
- Through Pradhan Mantri Kisan Yojana, Rs. 2,000 has been transferred directly to the 8.7 crore farmers. This move will provide a good amount of financial support to the rural farmers;

Government Schemes in Sync with the Atma Nirbhar Bharat Abhiyaan

- It is important to note that way before the pandemic hit India, Ministry of Rural Development had planned and announced in November 2019 about its target plans to achieve rural employability, skill development, settlement, disbursement of bank loans to the farmers/farm workers, etc. This is a clear indication of how the government is planning and executing the work to boost the rural economy in a more systematic and strategic way.
- Moreover, the following schemes of the government have been helping the farmers to boost their income directly or indirectly. The following schemes are highly relevant to the rural sector to bring reformative changes in the lives of the rural people and also their economic condition.

Coir Udyami Yojana:

- This is a credit linked subsidy scheme for setting up coir units with project cost upto Rs. 10 lakh plus working capital which shall not exceed 25 percent of the project cost.

Skill Upgradation and Mahila Coir Yojana:

- This Scheme is aimed for the development of domestic and export markets, skill development and training, empowerment of women, employment/entrepreneurship creation and development, enhanced raw material utilisation, trade related services, welfare activities of the coir workers. Mahila Coir Yojana in particular aims at women empowerment through the provision of spinning equipment at subsidised rates after appropriate skill training.

Prime Minister's Employment Generation Programme:

- This scheme Is a composition of two schemes viz. Prime Minister's Rojgar Yojana and Rural Employment Generation Program. It is a credit linked subsidy programme that aims at generating employment opportunities through establishment of micro enterprises in rural as well as urban areas.

Pradhan Mantri Awas Yojana- Gramin:

- The Pradhan Mantri Awas Yojana- Gramin (PMAY-G) has been devised in line with Government's commitment to provide 'Housing for All' by 2022 in the rural areas.
- The scheme aims at providing a pucca house with basic amenities to all houseless householders living in kutcha and dilapidated houses by 2022.

Deen Dayal Antyodaya Yojana:

- The scheme is designed with an aim to uplift the urban poor by enhancing sustainable livelihood opportunities through skill development.
- The scheme is an integration of the National Urban Livelihoods Mission (NULM) and National Rural Livelihood Mission (NRLM). The scheme entails providing shelter equipped with essential services to the urban homeless in a phased manner.

UJALA 2019:

- The Unnat Jyoti by Affordable LEDs for All was launched in 2015 with a target of replacing Rs. 77 crore incandescent lamps with LED bulbs. The objective is to promote efficient lighting, enhance awareness on using efficient equipment that will reduce electricity bills and preserve the environment. Every grid-connected consumer having a metered connection from their respective Electricity Distribution Company can get LED bulbs at about 40 percent of the market price under the Ujala scheme.

Pradhan Mantri Kaushal Vikas Yojana:

- It is the flagship scheme of the Ministry of Skill Development and Entrepreneurship (MSDE). The objective of this Skill Certification Scheme is to enable a large number of Indian youth, both rural and urban, to take up industry-relevant skill training that will help them in securing a better livelihood.
- Under this Scheme, Training and Assessment fees are completely paid by the Government. The scheme has been approved for another four years (2016-2020) to benefit 10 million youth.

Ayushman Bharat:

- This scheme is the world's biggest health scheme which aims to provide health coverage to over 100 million poor and vulnerable families of about USD 8,500 for hospitalisation per family per year. This will immensely help the farmers to get covered under insurance scheme.

Fund for Upgradation and Regeneration of Traditional Industries (SFURTI):

- Under this Scheme Common Facility Centres (CFCs) are to be set up to facilitate cluster-based development during 2019-20 with special focus on bamboo, honey and khadi. This will help boost the livelihood of the rural work force.

Promotion of Innovation, Rural Industry and Entrepreneurship:

- Under this scheme, Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs) were set up in 2019-20 to develop 75,000 entrepreneurs in agro-rural industry sectors. This will encourage entrepreneurship in the rural areas.

Pradhan Mantri Matsya Sampada Yojana (PMMSY):

- This aims to enhance fish production to 220 LMT with an investment of over Rs. 20,000 crore in next five years. It will also help in the robust fisheries management framework including modernization, productivity, quality control, etc.

Vocal for Local

- Finance Minister Smt. Nirmala Sitharaman, in her policy briefing, stated that the locally available product will be given importance in order to promote the rural economy. Rs. 10,000 crore has been assigned to the unorganised food processing industries in this context. Therefore, it is a good initiative to develop the rural economy and thus improve the income of the farmers.

Way Ahead:

- Despite the substantial rise of urbanisation, nearly more than half of India's population is projected to be rural by 2050. Therefore, boosting the rural economy is a key to overall growth and inclusive development of the country.
- The government is revamping its strategies to ensure the productivity of the schemes enabling the nation to realise the outcome of Atma Nirbhar Bharat Mission.

Some of the crucial areas which require immediate reforms include:

- Streamlining the MGNREGA so as to provide maximum benefit to the poor by avoiding any sort of mismanagement in implementation and execution.
- With government's emphasis on Aadhar-linked Direct Benefit Transfers (DBT) through Jan Dhan bank accounts, the mismanagement has been largely taken care of; Grooming and promoting youth as Entrepreneurs or Self-employed (YSE), who are linked to local livelihood eco-systems; Promoting backyard poultry and goat rearing with provisions for improvement on sheds, vaccines and other support;
- Encouraging Farmer Producer Organisation (FPOs) to support Small and Marginal Farmers (SMFs);
- Working with farmers towards a new paradigm by shifting from intensive chemical-based agriculture to adopting sustainable eco-friendly agriculture practices;
- Connecting villages physically and digitally is essential for village enterprise to prosper. In this case, the roads/highways will improve the last-mile delivery of relief and welfare programmes;
- Development of cluster-based specialised farming, promotion of organic farming, support for farmers' organisations, extension of farmer credit to fisheries and animal husbandry farmers;
- Livestock, fisheries, dairy, vegetables, fruit and food processing are more labour-intensive and high value-yielding. After many decades of neglect in research and development, lack of market access, on-off policies for exports, and market distortions, the present adversity may be a timely opportunity for this sector. The government is focusing on this through its schemes concerning rural development.

Conclusion:

- To sum up, the success of India's economy is strongly rooted in the rural areas. As the Prime Minister rightly said that India doesn't advocate a self-centred system by becoming self-reliant, but in India's self-reliance there is a concern for the whole world's happiness, cooperation and peace.
- Today, rural India is the growth engine not just for fast moving consumer goods, but also durables, two-wheelers, farm equipment, construction and many other sectors. So, without uplifting the rural economy first, the rest of India will not pick up momentum that easily. Therefore, revisiting the rural segment with strategic financial plans is inevitable.

Making Local Brand Go Global Formalisation of Micro Food Processing Enterprises

- In alignment with Prime Minister's clarion call to be 'vocal for local', Ministry of Food Processing Industries has recently launched a scheme for formalisation of micro food processing enterprises. With an outlay of Rs. 10,000 crore, the scheme aims coverage of two lakh enterprises over five years from 2020-21 to 2024- 2025.
- During first year of implementation, the total expenditure will be borne by Central government, but in successive years centre and states will share the expenditure in 60:40 ratio.

Key highlights about the scheme:

- Under the scheme, capacity building of entrepreneurs will be undertaken through technical knowledge, skill training and hand holding support services. Credit flow to micro food processing industries will be strengthened along with support for their integration with organised supply chain by providing brand and marketing facilitation. Apart from individual entrepreneurs, support will also be extended to FPOs, SHGs, producers co-operatives and co-operative societies engaged in food processing activities.
- Micro food processing industries represent the unorganised food processing sector comprising nearly 25 lakh units. Nearly 74 percent of the total employment in the food processing sector comes from these units. Micro food processing enterprises are a major contributor to the rural economy as nearly 66 percent of these units are located in rural areas and about 85 percent of them are family based enterprises supporting the livelihood of households.
- These units play a significant role in checking rural-urban migration. But, these units face a number of challenges that limit their performance and development. Lack of access to modern technology, training, easy credits etc. increase the cost of production and limit their profits. The scheme of formalisation addresses these challenges in an effective way to make them more productive, profitable and sustainable.
- As per guidelines, the scheme will adopt a cluster approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. 'One district, one product' approach initiated in some states will be a guiding force for value chain development and alignment of support infrastructure.
- Perishable produce-based product, cereal based product or a food product widely produced in a district will be identified for support and other benefits.
- The scheme provides for credit linked grants to enterprises with provision of seed capital to SHGs for meeting working expenses and purchase of small tools. The scheme is set to transform the unorganised micro food processing enterprises for the larger benefit of rural people and rural economy.

Agriculture Pivotal to Economic Revival

- The United Nations has projected shrinkage of the global economy by one percent in 2020 in contrary to the previous forecast of 2.5 percent growth. Worldwide, millions of workers and professionals are facing the bleak prospect of losing their jobs.
- The economic scenario is not much different in India due to the challenges posed by COVID-19 pandemic. To avert a sharp economic downturn, the Indian government has already started considering new ways to revamp the economy. India, being largely an agricultural economy, has to focus on rural areas that have immense potential to reboot and revive the economy.

Agriculture Role in the Indian Economy

- According to NITI Aayog, the agriculture sector is a silver lining for current Indian economy and is supposed to grow at the rate of three percent in the fiscal year 2020-21, and is currently growing 50 percent more than the non-agriculture sector and is estimated at 40-60 percent higher than the last year. Its share in the economy of India is around 17 percent, which is much higher when compared to the manufacturing sector. As the market is intact and prices have not crashed, it is expected to boost the Indian economy further.

Need for Talking about the Economy:

- The complete closure of urban and semi-urban based industries, manufacturing and construction unit and agricultural activity in rural areas due to the current pandemic has affected country's economy in many unprecedented ways. The situation made everyone to think about the past lapses and how to reshape the world.
- It is a good opportunity to give direction to our efforts by rebooting our agricultural sector, which has the tremendous potential to achieve the goal of creating a powerful economy and to lead the world with this example. The challenge is for everyone to harness the untapped potential of our villages, our roots, the ingenious science and the diversity we are bestowed upon.

- The rural economy needs a rapid transformation to become economically viable and to further reduce the rural-urban migration. The villages need to be reshaped as a pivot of economic growth in order to reduce undue pressure on the cities and to act as a savior in crisis.

India's Position in the World Economy:

- We are at an opportune time to tap the world food market as a supplier. For this to happen and to meet the global standards, we need to massively upgrade our agricultural infrastructure and available technologies. Although we may not immediately become big exporters of paddy or pulses, we should attempt to move in that direction.
- In the past, the biggest roadblock to exports has been at the policy level and the food shortage mindset; but now farmers are ready to take on the world market with newly introduced initiatives and policy reforms. Given that domestic demand may be curtailed for a few years till employment and income normalises, we have to inspire the agriculture sector to make investments and enhance productivity. It is right time for its high graded entry into the world market. The first and foremost requirement is to accept the role the agriculture can play in revitalising the economy in the years to come.

India's Perspective of Rural Economy:

- According to the Agriculture Ministry, for the fiscal year 2020-21, the food grain production target for India is set at 298.3 million tonnes, compared to 291.95 million tonnes in 2019-20 and 285.20 million tonnes in 2018-19. There was no scarcity of milk, essential food grains or vegetables during the pandemic related lockdown and the milk supply-chain was also fully operational.

Reverse Migration Scenario:

- The country is facing the twin challenges of preventing the spread of disease in the short run and accommodating a large number of migrants in the rural economy in a productive manner. We need a long-term measure to use this large number of migrant returnees as they might not return to cities anytime soon due to the pandemic situation. Short term measures will not help generate big gains in the long run.

Concerns and Issues:

- Home-returning of immigrant laborers due to COVID-19 has become a major challenge for our State's economy, social fabric and general law and order. Since the number of such laborers is huge, providing them employment based on their skills is the next evident step. If we use this challenge as a creative opportunity to enhance our agri-based economy, there are immense possibilities of progress.
- We are sure to see agriculture sector emerge as a major player in ensuring livelihood and availability of food grains for the entire year as other avenues of income are likely to be disrupted due to this menace. Thus, strengthening of farm sectors shall pave the way for decent livelihood, food and nutritional security.

Obstacles during Crisis:

- COVID-19 underlined the gaps in our food system in the light of the pandemic i.e. disruptions in the food supply chain, reduction in labour forces, rising prices of staples hitting lower-income communities, supply shock, production slowdown and subdued demand. The vulnerability of our modern food systems to climate disruptions is a widely known fact. We need to make farming more viable for small land holders by creating a climate resilient low-cost farming system and drive our own Agri-market with robust demand and expanding export.

Sabka Sath Sabka Vikas:

- The government organisations and private industries are working hard to fill the existing gap for the proper transformation in the agriculture sector and to shift it from traditional to new farming style. Redefining the research agenda as per local needs and increasing public-private partnerships for market-driven research is in progress. To make the food system sustainable and resilient with timely information and to bridge the rural-urban gap and making agriculture attractive to the next generation with more employability needs new skill sets. We are moving from food security to nutrition and health security and growth to efficiency with the market-based high-quality research and new policies, regulations, and reforms. The Agri entrepreneurship and Agri-business development is already getting due attention. Some of the suggestive measures that could be implemented are being discussed below.

Way Forward

- The most fundamental step that needs to be taken during this slowdown to leverage the potential of the agriculture sector is to make the farming sector economically viable in the coming months. This is an opportunity to promote rural reform through better infrastructure and policy to absorb more workforce.

- The policy framework needs to be more supportive to agriculture. Developing skills amongst low-income farmers in modern farming and other agricultural activities is a right move towards self-sufficiency in domestic food production and must be at the center of a plan for a sustainable recovery. Despite many new intensifications, modernisation, improvement in irrigation and farming technology, the arable land is just not growing to its potential. What we need is a package of policy support to ensure that these enterprises can achieve their full potential as units of production, employment and income.
- The need of the hour is to reskill these laborers depending on their existing skillsets, experience and education. The worker must be trained in the new priorities area and we must value their potential.

We can broadly categorise them in four types:

1. Unskilled (willing to work hard)
2. Semi-skilled (not always ready to work as a labor)
3. Skilled (in some specific areas)
4. Women worker (housewife and involved as household help) and persons involved in street food vending.

A. Role of RPCAU, Pusa

Some special training for Re-skilling through technologies developed at RPCAU, Pusa are:

- Household waste-management and other wastes for organic manures.
- Rearing of fast-growing Boar breed of Goat.
- Mushroom cultivation, production and processing.
- Culturing of fish wherever good water depth is available.
- Use of University's developed solar cart for hygienic sale and keeping the product for longer using solar energy.
- Re-circulating aquaculture in lesser space.
- Wealth from waste like produce from banana, bamboo, pigeon pea stems etc.
- Skill development, technical know-how and maintenance work training.
- Empowering women in small know-how like Herbal Gulal making, Energy food preparation, value addition like mushroom processing, making Samosa, laddoo, snacks pickles etc., Ornamental fish culture and Honey production.

B. Initiatives in Rural Areas

- Building of Water harvesting structures
- Plantations of tress
- Land development activities
- Effective use of barren land
- Migrant as Agri-entrepreneurs, Returnee migrants can be trained as a resource person for farm and non-farm livelihoods.
- Capacity building for farmers
- Creation of cold storage facilities
- Building more farmers organisation through community mobilisation
- Diversification of livelihoods
- Exploring the non- traditional method for income generation and which can fulfill the nutritional needs of the farmers.
- Backyard poultry and goat rearing as new options for generating additional income and support should be provided to scale it.
- Creating assets under MGNREGA to ensure water availability.
- Creation of employment and large-scale assets that can improve productivity and ensure prosperity in villages for the years ahead.
- Possible skill-based activities for agriculture promotion
- Small scale agricultural equipment construction

- Organic manure preparation
- Agri-entrepreneurship and technical skill development
- Value addition
- Cash crop production
- Skill-based jobs

C. Increasing Role of Women in Farming

- The role of women farmers is extremely important in the farming as their male counterparts moved to urban areas and started doing other jobs. Today women share over 40 percent of the agricultural workforce in India. The increasing proportion of women farmers also reflects that rural agriculture, to a large extent, depends on women's participation.
- However, only less than 10 percent of India's land is owned by women and still, their access over resources remains very low as compared to their male counterparts and it right time to eliminate the gender inequalities for a better outcome at the farm level. The women farmers need recognition and rewards to boost their morale and to become a role models so as to influence and motivate other female farmers too.

D. Promoting Farmer's led Organisations:

- The agriculture sector in India is mainly hampered by high transaction costs and low access to credit and agricultural produce markets.
- Hence there is need to reduce the importance of middlemen trading and let farmers do direct marketing of their produce. This will surely scale up investment in agriculture with improved price realisation.
- One potential solution is the formation of Farmers Organisations and promoting group or cluster farming through them to reap the real benefit of rural India.

E. Contingent Crop Planning:

- To make agriculture more profitable and sustainable, we need to develop crop plans based on different Agro-climatic and Agro-ecological zones. A contingent crop plan, well in advance for the main cropping season, helps farmers to prepare for weather uncertainties during the particular year.
- To better enable farmers to respond just in-time to climate variations and to minimise the risks, local automated weather stations at optimal distances will help generate locale-specific crop weather advisories.
- There is a need to come up with strategies to educate the marginal and small holder farmers about the resources available to them and the way forward, if there is any loss of crops due to climate.

F. Agri or Social- Entrepreneurship and Technical Skill Development:

- Now is the right time to tap the pool of progressive youth in the community to build a culture of vibrant entrepreneurship in these areas to reboot the rural economy. There is a need to provide them proper conditions and bring them together, as some of the migrants are comfortable with technology and are educated enough. Hence, they are required to be trained further to enable their maximum contribution in rural livelihood.

G. Government's Initiatives during Lockdown:

- To boost rural economy and to directly benefit the farmers, many platforms have been launched for agricultural commodities' transportation and movements of perishables during the lockdown like e-NAM, Kisan-Rath app, and an All-India Agri Transport Call-Centre. Also, Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme has enabled direct cash transfer for the rural economy to thrive in the coming days.

Conclusion:

- In the current challenging scenario, utilitarian values of returning migrant workers have been manifold enhanced. These "background heroes" of rural India are the growth engine and can act as a savior, at this juncture, if equipped with apt tools and techniques. Time is ripe to give momentum to the "Back to village" slogan in the post-COVID-19 India.
- Quite poetically, this crisis has forced us to truly understand the importance of food on the plate and the whole agriculture workforce working tirelessly to make it happen for the general mass. This is the most opportune time to reshape our country, our economy and the villages and to build a sustainable and resilient society using the prescribed tools of rural reengineering as listed above.

Doubling Farmers' income

- India today is not only self-sufficient in respect of demand for food, but is also a net exporter of agri-products occupying seventh position globally.
- India has been an agriculture-based economy. Though the percentage of population dependent on agriculture declined to 48 percent in 2011, from 85 percent in 1951, yet if seen in terms of absolute numbers, a sizable population is still dependent on agriculture for its livelihood.
- Past strategy for development of the agriculture sector in the country has focused primarily on raising agricultural output and improving food security. The strategy paid dividends as the country was able to address the severe food shortage that emerged during the mid-1960s.

Strategies Towards Doubling of Income:

- Doubling real income of farmers till 2022-23 over the base year of 2015-16, requires annual growth of 10.41 percent in farmers' income⁵. This implies that the on-going and previously achieved rate of growth in farm income has to be sharply accelerated.
- Therefore, pragmatic measures will be needed to harness all possible sources of growth in farmers' income within as well as outside the agriculture sector.

The strategies to boost income of farmers can be divided under the following heads:

- Reducing the cost of inputs
- Increasing the sale value of the crops Crop Diversification
- Increasing the productivity
- Sustainable agricultural intensification Augmenting agriculture income with allied activities
- Decreasing the per-capita dependence on agriculture

Reducing the Cost of Inputs in Agriculture:

- Irrigation, seeds, labour, fertilisers, pesticides, machinery and extension services constitute the factors of production in agriculture. The most basic strategies to double farmers' income are going to be those which decrease the cost of production.
- Micro-irrigation along with the nutrients application can be highly efficient and priority should be given to empower farmers with micro irrigation.

Increasing the Sale Value of the Crops:

- Sale value of crops can be improved by shifting to high value varieties, reducing post-harvest losses, improving post-harvest management and marketing reforms. One way to increase the sale value of the farm produce is to expand the area under High Value Crops (HVC), as it has been found that expanding HVC by one hectare at the expense of staple crops, yields an additional "gross returns up to Rs. 1,01,608 per hectare.
- There is also a need for strengthening of Organic Food Programme in India to contribute to the global 60 billion US dollar market for organic products¹⁰. Many parts of India such as North-Eastern Region, Himachal Pradesh, Jammu and Kashmir, Uttarakhand, Madhya Pradesh, Chhattisgarh, Jharkhand, which are organic by default, must be made organic by process for the producers to get advantage of market value.

Crop Diversification:

- Crop diversification refers to the addition of new crops or cropping systems to agricultural production on a particular farm taking into account the different returns from value added crops with complementary marketing opportunities. Private and public investments should be prioritised to facilitate crop diversification towards horticulture, infrastructure development viz. storage houses, greenhouses and micro-irrigation, and promotion of new culture for fruits and vegetables.
- Diversification of agriculture in the First Green Revolution areas such as Punjab, Haryana and Western Uttar Pradesh seems need of the hour. Crops like maize, soybean, pulses, oilseeds, fruits and vegetables have the potential to replace rice and wheat in this area. Upward push in MSP in favour of proposed diversification crops will be a practical option to achieve this objective.

Increasing the Productivity of Agriculture:

- The productivity of several crops is low in the country, and there is a huge scope to raise the productivity to enable doubling the farmers' income. India's farm yields are much lower as compared to other advanced countries.

- Average per hectare rice production in India is 2.6 tonne compared to 7 tonne in China, 5.1 tonne in Indonesia and 5.6 tonne in Vietnam¹³. Even within the country, there is huge yield variation of different crops among the states e.g. the gap between Punjab and Chhattisgarh in rice yields still exists almost 3 times¹⁴. Variation in productivity, with the same level of irrigation and low income level of the farmers is due to the lower levels of advance technology being adopted and lack of modernisation of farms.

Sustainable Agricultural Intensification:

- Crop intensification may be achieved by using shorter season varieties, improving on-farm water and soil fertility management (e.g. water harvesting practices, minimum tillage, supplementary irrigation), and introducing rotation crops. Boost to yields can be given by improving the efficiency of water and nutrient use.
- Water productivity gains will need to be underpinned by sustainable soil fertility. This will necessitate targeted research to develop site specific nutrient management systems, including more efficient use of fertilizers, soil ameliorants and green manures. Tailoring agronomic practices (e.g. weed management, planting methods) to local conditions will further enhance water and nutrient efficiency.

Augmenting Agriculture Income with Allied Activities

- Promotion of integrated farming system approach aims at synergic blending of crops, horticulture, dairy, fisheries, poultry etc. to provide regular income, decrease cultivation cost through multiple use of resources and provide much needed resilience for predicted climate change scenario.
- Under the National Agricultural Innovation Project (NAIP), supported by the World Bank and implemented by the Indian Council of Agricultural Research (2006-14), an effort was made to enhance income of the rural people through technology led innovation systems
- Under this initiative, interventions in Integrated Farming Systems mode (crop-livestock-aquaculture) were planned and demonstrated, keeping in view the overall need of the area, available technological options, market accessibility both for input and produce etc. Some of these systems such as Integrated rice-fish-poultry farming system, Integrated rice-fish farming model, Integrated pig/poultry fish-vegetable farming system model and others have demonstrated significant increase in the income of the test farmer groups. There is a need to translate these successful models into farm practices on a wide scale.

Decreasing the Per-capita Dependence on Agriculture Income:

- Income of farmers can be improved substantially by shifting extra workforce away from agriculture. Some farmers have started moving away from the agriculture sector and many are looking for suitable opportunities to leave farming. According to NSSO, workforce in agriculture sector in rural areas declined by about 34 million between 2004-05 and 2011-12, showing an annual decline at the rate of 2.04 percent.
- Despite the trend of movement of workforce away from agriculture, the employment diversification towards non-farm sector is slow due to requirement of skill and certain education level in manufacturing sectors, the concentration of industrial units at a distance from rural habitation and the limited capacity of the non-farm sector to ensure productive employment to incoming workers. The government's recent initiative on Skill Development can play a big role in improving skills of farming community, which can fetch them better employment opportunities in non-farm sectors.

Conclusion:

- It has been found that agrarian distress increased when growth in farm income was low and it went down when farmers' income experienced high growth rate.
- Thus, the level of farm income is crucial to address agrarian distress. The income enhancement of farmer would come mainly from seven sources like increase in productivity of crops, increase in production of livestock, improvement in efficiency of input use that would save cost, increase in cropping intensity at farmers' field, diversification towards high value commodities, better remunerative price realised by farmers and shifting way surplus labour (unproductive) from agriculture to non-farm activities.
- The Government's development initiatives, impetus on technology integration besides policies and reforms in the agriculture sector, are the right steps in this direction.

Steps for Doubling Farmers Income

- Government constituted an Inter-ministerial Committee in April 2016 to examine issues relating to Doubling of Farmers Income (DFI) and recommend strategies to achieve the same. The Committee has identified seven sources of income to double farmer's income by 2022.

- Finance Minister in her Budget speech of FY 2019-2020 has hoped to form 10,000 new Farmer Producer Organisations (FPOs) to ensure economies of scale for farmers over the next five years. Government plans to change existing law to ensure availability of quality seeds to farmers with a proposed Seeds Bill, 2019 to replace The Seeds Act, 1966. Assistance/benefit is also being provided to farmers under Sub Mission on Seeds and Planting Material (SMSMP).
- The Pradhan Mantri Kisan Samman Nidhi (PM-KISAH) scheme was started with a view to augment the income of the Small and Marginal Farmers (SMFs).
- Government is implementing schemes for imparting various training programmes and awareness campaigns for the benefit of farmers at Panchayat and village level under Agricultural Technology Management Agency (ATMA) Scheme, Four Farm Machinery Training and Testing Institutes (FMTTIs), Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM) etc. through its wide network of Krishi Vigyan Kendras (KVKs) under Indian Council of Agricultural Research (ICAR) and Agriculture Universities etc.
- Department of Agriculture Cooperation and Farmers' Welfare is implementing 'Per Drop More Crop' component of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY PDMC). It focuses on enhancing water use efficiency at farm level through Micro Irrigation technologies viz. Drip and Sprinkler irrigation systems.

Food Processing: Potential Driver of Agri-Business

- Food processing in India has treaded a long path of transformation, from merely a household activity to a prominent industrial sector impacting national economy, especially the rural one.

Need of growth in agriculture:

- Simultaneous growth in agriculture provided due leverage to processing industries by maintaining a regular supply of raw materials (agricultural produce) in desired quantity and quality. Besides, the amazing diversity of Indian food basket also adds novelty and value to processed products especially for exports.
- Food processing units/industries promote industrial growth in rural areas, create livelihood/employment opportunities, check rural-urban migration and ultimately improve rural economy for greater socio-economic benefits. From farmers' perspective, food processing sector is a promise of prosperity as it opens several pathways for augmenting their profit and income. Significant rise in demand of agricultural produce for processing ensures better price to farmers, even during glut season. Market demand of varied food products promotes diversification in crop selection in favour of high value crops. Most importantly, this sector links the unorganised farming community with formal industrial sector to advance rural economy.
- Further, food processing sector is also capable of addressing critical issues of food security, food inflation, food wastage and nutritional security to the masses.
- The Ministry of Food Processing Industries is striving to create and ensure a conducive environment for healthy growth of the food processing industry. Ministry has launched several policy, developmental and promotional initiatives to attract greater investment into this sector.
- Formulation and implementation of sector-friendly policies and schemes have made a positive impact on food processing sector, especially during last six years. During the last five years ending 2017-18, food processing sector has been growing at an average annual growth rate of around 8.19 percent as compared to around 3.45 percent in agriculture at 2011-12 prices. Food processing sector has also emerged as an important segment of Indian economy in terms of its contribution to national GDP, employment, investment and exports.

Potential and Strategies:

- Food processing sector is a rising sector in India with potential to become a global player soon. In addition to rich and diversified agricultural resources, the country due to its technological strength can provide a perfect blend of traditional and hygienic foods, processed and packaged according to global standards with state-of-art technology.
- The remarkable growth in this sector is chiefly driven by a strong 1.3 billion consumer base that has created world's sixth largest food and grocery market.
- On domestic front, as consumers are becoming more health conscious, the demand for nutritious food is growing proportionately. Rising number of working women in urban areas and growing trend of nuclear families are also pushing demand for ready-to-eat and frozen food.
- Increasing urbanization and rise in disposable incomes has substantially increased spending on food products.

- Growth of organised retail and penetration of e-commerce companies have further helped increase in demand of processed food products.
- Thus, overall India's food value chain is poised to create multiple opportunities for investment and employment in various verticals of food processing sector, such as value addition, transport, storage infrastructure, farming, retail chains and quality control.

Initiatives:

- Holistic and inclusive development of food processing sector vis-a-vis rural economy desires to have sustainable supply chains that will link the farmer to the processing and marketing centres seamlessly.
- Simultaneously, there is a need to create on-farm cooling and grading arrangements with cold-chain infrastructure to increase income of farmers. If the farmer is enabled to grade and store his produce close to the farm, the farmer will be empowered to demand and obtain a better price from the processors and also add value to his produce.
- With a view to attract and augment private investment for building desired infrastructure, Government launched an integrated umbrella scheme- Pradhan Mantri Kisan Sampada Yojana in 2017. The scheme is providing financial support to create and develop infrastructure for mega food parks, integrated cold chain and value addition, food processing and preservation capacities and agro-processing clusters.
- The Ministry of Food Processing Industries has sanctioned 39 mega food parks and 298 cold chain projects throughout the country for seamless transfer of perishables from production to consumption areas.
- The scheme has created effective backward and forward linkages for perishable agri-horti produce by setting up primary processing centers/collection centers at farm gate, while distribution hub and retail outlets at the front end.
- Preservation facilities are also created for enhancing shelf-life of perishable agricultural produce resulting in better remunerative price to farmers.

Entrepreneurship and Engagements:

- Food processing sector, due to its close linkage with farms and farmers, provides a huge opportunity for entrepreneurship in rural areas. Rural youth, who are potential migrants, can easily be trained as per industry requirements and mentored to start their own small units of processing, packaging, etc. Many government agencies and technical institutions are providing training, technical guidance and hand holding services to start-ups that have kickstarted a new breed of enterprises in rural areas based on agricultural produce. Prime Minister Employment Generation Programme, ASPIRE (Scheme for promoting innovation, rural industry and entrepreneurship) and SFURTI (Scheme for regeneration of traditional industries) are some of the specific schemes to address capital needs of agri-entrepreneurs.
- Food processing sector has been identified as one of the key and priority sector of the Government's ambitious 'Make in India' campaign. Under the scheme, special efforts are being undertaken to improve the competitiveness of the private and public sector units operating in the country, so that they can integrate well with global value chains and global markets. Programs such as Start-up India, Stand-up India and Skill India are other major initiatives that are backing development of food processing sector, in their own domain.
- Green shoots are emerging fast in food processing sector due to promotional activities and initiatives by Government of India.

Conclusion:

- Food processing has the potential to act as an engine of growth for rural economy and to bring prosperity in rural areas. But India needs to develop its strategy in a way which takes care of small-scale players along with attracting big investments from domestic and global food giants.
- Food processing sector is on the pathway of building a New India where rural economy is as bright as its urban counterpart.



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