OUTCOME REPORT

of
Interactive Sessions with
Honourable Members of Parliament
on
Challenges in Doubling Farmers’ Income

Held on
August 3rd, 2016
and
August 9th, 2016
New Delhi, India

Submitted by
THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA
INTRODUCTION

Indian agriculture is vital for socio-economic development of the country, as it provides livelihood to half of the population, supplies raw material to industries and ensure food security to the nation. Past three decades have witnessed un-parallel development of agriculture in India, compared to any other part of the world. While India has crossed the hump relating to food security, over the years, but under employment and disguised unemployment besides the challenge of nutritional security and farmers’ distress continues. Earlier, policy, programme, technological changes and initiatives were designed and implemented for achieving higher production through improving productivity parameters, as it was important to achieve prime concern of self-sufficiency in food, a primary concern than looking to the challenges of producing and helping the farmers in achieving improved farm income.

In this background, ASSOCHAM organized interactive sessions with the honorable Members of Parliament on 3rd and 9th August, 2016. The objective was to understand and devise means for needed policy changes in the assessment of agricultural growth indicator from production base to farmers income base and develop strategies for technological
changes, enhancing efficiency of inputs i.e. water, nutrients, energy, delivery; risk management and marketing.

The event was attended by large number of dignitaries and equal number of honourable Members of Parliament. Various issues were discussed to develop recommendations in the background of base paper presented by the experts, a way forward for transformation of agriculture and doubling farm income. The recommendations drawn after two days of discussion are as -

**RECOMMENDATIONS**

★ **Innovation is the key:** During the two days of rigorous brainstorming all policy makers and industry representatives and experts recommended, that there is a need to build a society of innovators, manufacturers and technology providers, as the development needs innovation on the driving seat for expected output. Therefore, it would be imperative to build atmosphere of policy framework where innovators and innovative companies makes their investment in future technologies. Doubling of farmers income can only be achieved with new innovation and enabling
policy for investment.

★ **Policy Formulation based on scientific evidences:** By citing example of Tobacco farmers all experts and participants recommended in one voice, that policies of Government of India should be based on the scientific evidences without getting biased towards the pressure from the so called civil society organizations and NGOs. Farmers should have choice for the crops as per the economic viability. Policy should be such that protects the interest of them farmers.

★ **Doubling the income of farmers:** Growth indicators in Agriculture is in transition stage from production and productivity assessment to income based assessment. The challenge is to double the income of the farmers in next six years. Since income depends on the cost of production, it has to be reduced through the use of technology and enabling policy environment coupled with investment on agri-infrastructure and market reforms.

★ **Income assessment:** If appropriate assessment of income is not made, annual inflation would double the gross income of farmers, which will not be a reality of doubling farmers income. Therefore, assessment of income has to be based on fixed price of output(2015-16)/ and current price inputs.
★ **Increase in Yield:** Use of technology is recommended, as it can help in increasing yield per unit area, through reducing the losses caused by abiotic and biotic stress. This will need climate resilient seeds and technology. Therefore, policy and investment would be needed to encourage R&D, and improved delivery mechanism which help farmers to adopt new seeds and technology to increase small farmer’s income, as with same piece of land farmers can earn more.

★ **Safe and less environmental impact:** Use of innovation and technology will help in reducing the environmental and will have safety concerns of crop protection chemicals and fertilizers & also improve fertilizer use efficiency. Improved technology will help farmers in knowing when and how much fertilizers is to be used, as farmers will have critical data. This would be the way for climate resilient agriculture.

★ **Regionally Differentiated Approaches:** Weather, soil and market determines the type of crops to be adopted. Any uniform strategies may not work across the country. Therefore, regionally differentiated approaches for increasing targeted income, depending upon Agro-climatic conditions and socio-economic conditions of farmers, have to be adopted. Integrated farming
approach beside crop and horticulture have to be encouraged, which should include livestock, poultry, bee keeping, mushroom and on farm value addition.

★ **Linking farmers with Markets:** Market reforms through electronic platforms, will eliminate middleman by connecting farmers directly to the consumers/markets, thereby letting farmers decide the right price of their produce. This is a complex issue needing deliberation to ensure its effective functioning by addressing issues of trading rights, storage, enabling finance and also taxation having harmonized regulatory environment. Market reform and value chain management system should be such, which provide access to market and better realization of price for the produce.

★ **Forecasting:** Demand & Price forecasts through different data analysis tools at the time of sowing crop will help farmers in taking right decision. This has to be based on trend of demand, international price of commodity and likely weather conditions. A model has to be developed which can be used by the farmers to take decision of sowing and selling of produce, and avoid distress sale.

★ **Enhancing output of manpower:** To increase the efficiency of manpower and reduce the cost of cultivation more of tools and
technique must have to be provided. This will increase more precision agriculture and reduce cost of production.

★ Data Analysis: Data captured from field using sensors and satellite technologies, will help in further research and development.

★ Affordable Credit: Developing markets and agricultural credit will be a key to ensuring that India’s farmers have access to affordable institutional credit for quality agricultural inputs, as well as access to adequate remuneration for the produce.

★ Productivity of water and nutrients: Water and nutrients are most critical inputs and account for major share in cost of production. With protective irrigation and balanced use of nutrients production cost get reduced. Therefore, micro-irrigation, fertigation and renewable energy will require more attention. Use of micro irrigation and fertigation have to be facilitated for small and marginal farmers.

★ Skill empowerment of the farmers: Undoubtedly, adoption of new technology and efficient management require skills. Therefore, skill upgradation of farmers have to be done from time to time beside use of ICT for technology transfer.