

## Doubling farmers income by 2020

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Farmers must have access to requisite amounts of institutional finance made available in a timely manner to enter the cycle of higher investments-higher returns.



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**APPLY**

Last week, this column had discussed the successful conduct of the state level farmers' festival at Burdwan in which the West Bengal Chief Minister had honoured the successful farmers of the state (Maati Tirtha, Maati Utsab). One of the criteria for the selection was the ability of the farmers to enhance their incomes, sometimes by optimising use of inputs, but mostly by taking up diversified farming practices and producing quality products which fetched a premium in the markets. In other words, farmers who understood the dynamics of the markets were better equipped than others to leverage their resources for higher incomes.



However, the challenge at the policy level is to create an environment in which most farmers can access markets and get a better price for their produce. In fact, when a brainstorming was organised with the key stakeholders in the Agriculture Department on what could be done to augment farmers' incomes, the lead pointer was to "markets". If only, there was a market to buy what the producer wanted to sell. That, unfortunately, is never the case as agricultural produce typically takes place in areas, which are far removed from the consumption centres.

So if markets are not reaching out to the farmer – can we not create markets close to the source? Again, typically whenever there is an effort to shift markets closer, the sceptics are quick to mention that trading will not take place in these centres. The solution, therefore, lies in what West Bengal has done. The agriculture and agriculture marketing departments have gone ahead with the establishment of Krishak Bazars in the agricultural farms of the state – for it has been realised that what matters to the farmer is not just the quantum of produce, but more importantly, the outlet for the produce. For the last several years, yield and marketing have not worked in tandem, much to the detriment of the farmer's interest. But not anymore. With over a hundred new Krishak Bazars in operation, a tie-up with aggregators and state procurement agencies to ensure that they are put to optimal use has been initiated, and farmers are bringing their produce to their own Mandis. Already, anecdotal evidence shows that the farmers have started getting 30-40 percent higher realisation for their paddy – substantially on account of the state procurement operations in many of these centres. The next link in this chain is the strengthening of the Farmer Producer Companies to undertake procurement directly from their members, which will completely eliminate the intermediation costs.

Stating this on paper is quite easy. The challenge is to coordinate this at district and sub-district levels for at an aggregate level, the state produces about 10 Million MT more than its domestic consumption. (As West Bengal has >98 LMT marketable surplus rice). The "market" for the surplus produce is further aggravated on account of the implementation of the National Food Security Act, which ensures the supply of wheat and rice to all eligible households in the country, many of whom are marginal farmers and agricultural workers who live in the rural areas themselves. Therefore, districts which have the potential for diversification to alternative crops like maize, and horticulture produce must make the transition, earlier rather than later. Interestingly, the state imports maize for the production of poultry feed, even as it is short on eggs in particular. Hence, it can be a "win-win" situation if the effort is properly calibrated. This is where district level planning and coordination will play an important role. Each district (and perhaps even a block) must identify "markets", including emerging markets for the produce to be sold, and also prepare farmers to make the transition to commodities, which the markets require. One has to understand that "demand" is not static. It is dynamic though trends can be discerned with an ear to the ground.

The next factor, which affects farmer's income, is access to technology. True, most farmers in the state have marginal holdings – but this does not mean that technology cannot be accessed through leasing, or custom hiring centres. As more and more farmers shift to modern methods of cultivation and take multiple crops in a year, it is imperative that the "enabling conditions" for such an endeavour are created. From hand-held ploughs to welders, diggers and potato harvesters and small tractors, the key to farm productivity in lands of marginal farmers is "miniaturisation" and delinking ownership from use by creating a new army of agri-entrepreneurs who will be on the forefront of this transformation.

This brings us to the next logical step. Remember the adage, "a bad workman quarrels with his tools"? The point is that in one generation farmers are being asked to get used to a new generation of tools. Naturally these are not skills that a farmer can pass on to his sons and daughters! These will have to be formally learnt, and Chief Minister, Mamata Banerjee will be inaugurating "skill development programmes in agriculture" under the "Utkarsh Bangla"

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intervention by the Technical Education Department. This will be a unique collaboration of the Agriculture Department with the Agriculture Skills Development Council.

Last but not the least, is the aspect of Financial Inclusion. Unless farmers have access to institutional finance, and unless this finance is made available in the requisite amount and on time, the farmer will not be able to exit the existing orbit, and move into a cycle of higher investments, higher returns.

One is convinced that if all four factors – viz access to markets, technologies, skills, and finance work in tandem, it would be possible that farmers incomes register a double-digit growth by 2020. Now, that’s a challenge worth striving for!

*(The author is Additional Chief Secretary to Government of West Bengal. Views expressed are personal.)*

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