

DOUBLING FARMERS' INCOME BY 2022: THE PROGRESS SO FAR AND FUTURE COURSE OF ACTION

Abstract

This article talks about the National Level Agenda "Agriculture 2022' Doubling Farmers' Income" restated by the Government in February, 2018. It throws light on the importance of the agricultural sector for Indian economy and the need for this agenda of Doubling the Farmers' Income. It analyses the various schemes launched by the Government in this direction, various strategies being adopted by Government, examines what has been done in this direction, and what is next.



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WHY TO DOUBLE FARMERS' INCOME

In India's economy, the agriculture sector plays a very vital role, providing 70 per cent of rural household a dependency over it. By contributing to somewhere around 17 per cent to the total GDP and providing employment to around 58 per cent of the population, it becomes most significant sector of Indian economy. Talking about the share of agriculture in GDP a growth it increased from 17.8 per cent in 2019-20 to 19.9 per cent in 2020-21.

In the year 2021 itself, the GDP from agriculture increased from 4076.41 INR Billion in the third quarter to 6630.37 INR Billion in the fourth quarter of 2021.

Agriculture sector in India has been playing an indispensable role in giving rise to rural income and also providing food security to the ever increasing population of the country.

However, reports of National

Crime Records Bureau (NCRB) say that farmers are constituting the most distressed group in the Nation, whose suicide rate is higher than any other sector, and that too is increasing.

According to the data made available with the NCRB, since 1995 to 2016 around 3,00,000 farmers had committed suicide, but the actual number could be more than double this figure.

Agricultural income is on a decline over the past a few years and the debt of the farmers has been increasing;

Reports of National Crime Records Bureau (NCRB) say that farmers are constituting the most distressed group in the Nation

therefore, to arrest this crises, the Government of India has planned to double the farmers' income by 2022. In 2017, Mr.Arun Jaitley the then Finance Minister had proposed this mission of doubling the income of the farmers by 2022. Then the Prime Minister Mr.Narendra Modi restated that commitment as the National Level agenda called "Agriculture 2022' Doubling Farmers Income" in February, 2018.

STRATEGIES TO DOUBLE FARMERS INCOME

Traditionally, there were multiple strategies, on which the Government had relied upon to cover up the agricultural crises, but it has focused mainly on asset redistribution through land reforms, technological advancement, infrastructure enhancement and price mechanism, by providing fair market prices through policies like minimum support prices (MSPs).

Various schemes are launched

from time towards the objective of doubling the farmers' income like the following:

Market Intervention Scheme and Price Support Scheme (MIS-PSS)

Pradhan Mantri Fasal Bima Yojana.

PM-KISAN Scheme

Aatmanirbhar Bharat Abhiyan

Pradhan Mantri Krishi Sinchai Yojana

Pradhan Mantri- Annadata Aya Sanrakshan Abhiyan (PM-AASHA)

Rshtriya Krishi Vikas Yojana (RKVY) etc

It is mandatory for the *Commission for Agriculture Costs & Prices (CACP)*, a body linked with the Ministry of Agriculture and Farmers Welfare, Government of India, to recommend the minimum support prices (MSPs) to stimulate the cultivators to embrace modern technology and increase productivity.

As of now, CACP suggests MSPs of 23 agricultural products, which includes 7 cereals (wheat, maize, paddy, pearl millet, barley, ragi and sorghum), 5 pulses (tur, moong, urad, gram, lentil) 7 oilseeds (groundnut, soya bean, rapeseed-mustard, sunflower, sesamum, niger seed, safflower and 4 commercials (cotton, raw jute & sugarcane.)

Every year, CACP sends its exhortations to the Government, severally for five groups of commodities namely Kharif crops, Rabi crops, Raw Jute, Copra and Sugarcane, in the form of Reports based on price policy. Before preparing the above mentioned reports of pricing policy, CACP prepares a comprehensive questionnaire, and submits it to all the State Governments and concerned national institutions and Ministries to have their views. Eventually, separate

meetings are also conducted with farmers of different States, including State Government representatives and national level organizations like FCI, NAFED, Cotton Corporation of India, Organization of Traders, Processing organizations, Jute Corporation of India and key Central Ministries.

CACP also visits the States in person for on-the-spot assessment of various hurdles and hindrances being faced by the farmers in marketing of their produce and accelerating the productivity level of their crops also.

The Cabinet Committee on Economic Affairs (CCEA), after taking feedback from them, makes a final decision on the level of MSPs.

THE PROGRESS SO FAR

MSPs as recommended by CACP and then fixed by the Government in the year 2021-22 are tabulated hereunder.

	MSP's in Year 2021 - 22	MSP's in Year 2018 -19	% Increase in Yr 21-22 w.r.t Yr 18-19	MSP's in Year 2015 -16	% Increase in Yr 21-22 w.r.t Yr 15-16
Kharif Crops					
Paddy Common	1940	1750	9.79%	1410	27.32%
Paddy Grade 'A'	1960	1770	9.69%	1450	26.02%
Jowar- Hybrid	2738	2430	11.25%	1570	42.66%
Jowar- Maldandi	2758	2450	11.17%	1590	42.35%
Bajra	2250	1950	13.33%	1275	43.33%
Maize	1870	1700	9.09%	1325	29.14%
Ragi	3377	2897	14.21%	1650	51.14%
Tur/ Arhar	6300	5675	9.92%	4625	26.59%
Moong	7275	6975	4.12%	4850	33.33%
Urad	6300	5600	11.11%	4625	26.59%
Ground Nut	5550	4890	11.89%	4030	27.39%
Sunflower Seeds	6015	5388	10.42%	3800	36.82%
Soyabean Black	2500	2500	0.00%	2500	0.00%
Soyabean Yellow	3950	3399	13.95%	2600	34.18%
Sesamum	7307	6249	14.48%	4700	35.68%
Niger Seed	6930	5877	15.19%	3650	47.33%
Medium Staple Cotton	5726	5150	10.06%	3800	33.64%
Long Staple Cotton	6025	5450	9.54%	4100	31.95%
Rabi Crops					
Wheat	2015	1840	8.68%	1525	24.32%

Barley	1635	1440	11.93%	1225	25.08%
Gram	5230	4620	11.66%	3500	33.08%
Lentil	5500	4475	18.64%	3400	38.18%
Rape seed (Mustard)	5050	4200	16.83%	3350	33.66%
Safflower	5441	4945	9.12%	3300	39.35%
Commercial Crops					
Jute	4500	3700	17.78%	2700	40.00%
Sugar cane	290	275	5.17%	230	20.69%

The Ministry of Agriculture and Farmers' Welfare, (having two departments under it namely (i) Agriculture Cooperation and Farmers' Welfare that forms and implements the programs and policies related to crop husbandry (ii) Agriculture Research and Education, that conducts, coordinates and promotes research and education in the field of agriculture) has been allocated Rs. 1,31,531 crores during 2021-22 i.e. a 14 per cent growth over 2019.

The Ministry of Agriculture and Farmers' Welfare has allocated Rs.1,23,018 crores to the Department of Agriculture, Cooperation and Farmers in 2021-22. The Department of Agriculture, Cooperation and Farmers has given 49 per cent of the allocation to PM-KISAN (an income support scheme for farmers) in 2021-22 and has allocated a sum of Rs. 66,531 crores to its other programs and schemes including interest subsidy and crop insurance with an annual growth of 12 per cent over 2019-20. Fifteen per cent of that budget is proposed to be spent on interest subsidy on short term credit to farmers, and 12 per cent is proposed to be spent on the crop insurance scheme i.e. *Pradhan Mantri Fasal Bima Yojana*.

The Ministry of Agriculture and Farmers' Welfare has allocated Rs. 8,514 crores to the Department of Agricultural Research and Education which is 6 per cent more in comparison to the earlier year 2019-20.

The PM-KISAN scheme was launched in February 2019 with an aim of income support of Rs. 6000 annually to the farmers to cater their needs of procuring inputs for appropriate crop health and yields. In 2019-20 the budget allocation to PM-KISAN was Rs. 75000 crore which was expected to be increased to Rs. 87,218 crore.

In 2020-21 the Pradhan Mantri Krishi Sinchai Yojana (which was launched in 2015 under per drop more crop initiative, to increase the coverage of the area under irrigation) has been allocated Rs 4,000 crore which is 56 per cent higher than the revised estimate for the same year.

The Committee on Doubling Farmers' Income (2017), under the scheme **Aatmanirbhar** Bharat, scheme of May 2020, in consultation with the Central Government has come up with an economic package of Agricultural Infrastructure Fund of rupees1 lakh crore under which Government is providing an interest subsidy of 3 per cent on long term loan or investment credit (taken by the small and marginal farmers) of up to 2 crore rupees issued under this fund.

A group constituted by RBI has to review to ensure that the benefit of subsidised credit under Agricultural Credit Scheme should be provided to the cultivators and not the landowners.

Pradhan Mantri Fasal Bima Yojana providing for crop insurance, has been allocated a total sum of Rs. 16,000 crore during 2021-22 which

is 5 per cent higher than what was provided during 2020-21.

The National Project on Soil Health and Fertility has been provided Rs. 315 crore during 2021-22 which is 41 per cent higher than the revised estimate of 2020-21.

Rashtriya Krishi Vikas Yojana has been provided Rs. 3,712 crore during 2021-22, i.e. 46 per cent higher than the revised estimate of 2020-21

Agricultural marketing, an integrated scheme performing various functions like (i) creation of agricultural marketing infrastructure (ii) conducting agricultural marketing research (iii) development of agro business (iv) E- NAM (National Agriculture Market) has been provided Rs.410 crore during 2021-22, 17 per cent more than what was provided in the revised estimate of 2020-21.

The Indian Council of Agricultural Research (ICAR) has been provided Rs. 5,322 crore in 2021-22, 7 per cent more than the revised estimate of 2020-21.

IS DOUBLING THE FARMERS' INCOME ACHIEVABLE

The policies of Niti Aayog have been focusing mainly on increasing agricultural output and enhancing food security but not explicitly recognizing the need to increase or double the farmers' income and has not mentioned any direct policy or measures to promote farmers' welfare economically.

It is experienced that the growth in

output brings a very small increase in farmers' income as a result of which the farmers' income has remained low.

Even though the MSPs for pulses, oilseeds and copra have been increased by 95.93 and 10.80 times respectively during the last five years i.e. 2016-17 to 2020-21 in comparison to previous five years 2009-10 to 2013-14, the farmers are questioning and alleging that their actual cost of production is far more than what was being suggested and factored in MSPs.

During 2020-21, the estimated expenditure by the Ministry of Agriculture and Farmers' Welfare was Rs. 1,42,762 crore but at revision stage it was reduced to 1,24,520 crore which denotes a reduction of 13 per cent.

PM-KISAN scheme also experienced a cut of Rs. 10,000 crore in its estimated expenditure.

The Ministry Agriculture and Farmers' Welfare spent only Rs. 48,714 crore which was 35 per cent lower than what was budgeted.

In 2021-22 a budgeted sum of Rs. 19,468 crore has been allocated for interest subsidy that was approximately 6 per cent lower than what was budgeted.

For soil health and fertilizers the Department of Fertilizers has been allocated Rs. 79,530 crore during 2021-22 which was 1 per cent lower than that of 2019-20 (81,124).

The actual expenditure of both the departments of Ministry Agriculture and Farmers' was lower than the budgeted allocation in almost all the years from 2012-2021. The

contribution of agriculture sector is remarkably decreasing from 51 per cent in 1951 to 19 per cent in 2011 and then to 14.8 per cent in 2019-20.

WHAT'S NEXT: BUDGET 2022-23

Market intervention Scheme and Price Support Scheme (MIS-PSS) has been provided Rs.1,500 crore which is 62 per cent less than the revised estimate of 2021-22.

The Pradhan Mantri Annadata Aya Sanrakshan Abhiyan (PM-AASHA) has been provided only one crore for the year 2022-23 against Rs.400 crore in 2021-22.

The budget allocated for the food and nutritional security has also decreased to Rs.1,395 crore from Rs.1,540 in the revised estimate of 2021-22.

The distribution of pulses to State/ Union Territories for welfare schemes resulted in an expenditure of Rs.50 crore but the budgeted estimate for the same was Rs.300 crore.

The budgeted allocation to Pradhan Mantri Fasal Bima Yojana has also decreased to Rs.15,500 from Rs.15,989 crore during 2021-22.

Agriculture Infrastructure Fund has been provided Rs.500 crore in 2022-23 which was rupees 900 crore as per year's budgeted estimate.

Looking at the bright side of agricultural budget, the Rashtriya Krishi Vikas Yojana has been allocated Rs.10,433 crore.

PM-KiSAN has been allocated Rs.68,000 crore as against, Rs.67,500 during 2021-22.

CONCLUSION

In the current financial year's, session of Rajya Sabha, the Government was asked various questions as to whether any annual surveys were being conducted by the Government or any other methodology being adopted to measure the farmers income, but in answer thje Government just explained its various schemes launched for farmers' welfare instead of specifically explaining/showing any data that could reveal the growth in farmers' income. **MA**

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