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YOJANA MAGAZINE ANALYSIS

(October 2023)

(Part 3/3)

TOPICS TO BE COVERED

PART 3/3

- **AGRI INFRASTRUCTURE**



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AGRI INFRASTRUCTURE

Attaining food grain self sufficiency is the hallmark & greatest achievement of Indian agriculture.

India has graduated from food deficit, foodgrain importing country in 1950s & 1960s to food surplus & one of the leading exporters of foodgrains presently.

How was this transformation possible?

The answer is the **GREEN REVOLUTION** which includes adoption of **high yielding varieties of seeds & other inputs** along with introduction of **favourable government interventions** like the **Minimum Support Price (MSP)**.

THE SHIP TO MOUTH YEARS

In 1950s & 1960s, food productivity was a great concern. India experienced droughts for 3 successive years (1964-1966). This led to a deficit situation in India.

The Response:

India met this deficit situation with regular imports (apart from the food aid PL480 which India was receiving from USA).

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The imports grew to such an extent that India was **importing 7.78 million metric tonnes of wheat.** (includes PL480) (This was 75% of India's domestic wheat production of 10.32 MMT in 1965-66).

This precarious situation is rightly termed as ***Ship to Mouth.***

India responded to this situation with **Green Revolution.**

THE GREEN REVOLUTION

India launched this revolution to transform the agriculture productivity and hence have a direct impact on the farmer's incomes. Following can be considered as the components of Green Revolution:

- Introduction of High Yielding Varieties of rice & wheat.
- Introduction of other requisite inputs like pesticides, fertilizers & such like.
- Govt. interventions like Minimum Support Price (MSP)
- A continuous R&D in agriculture domain.
- Focus on Irrigation.

The farmers responded well and it was reflected in the results as well. Wheat production more than doubled in 1971-72. (26.41 MMT from 10.32 MMT). Rice production also increased to 43.07 MMT from 30.59 MMT in 1965-66)

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TRENDS IN AGRI PRODUCTIVITY

As productivity kept on increasing, India's imports started to come down & it reached its floor by the mid 1980s.

India started to export rice by the year 2000 and has now become the biggest exporter holding 40% of share in total rice exports.

India is also the largest producer of many agri commodities in the world like cereals, fruits, vegetables, spices, sugarcane & cotton.

THE COMPARISON

Table 1. Area and production of major crops during 1950-51 and 2022-23

	Area (million hectares)			Production (million tonnes)		
	1950-51	2022-23*	Times increase	1950-51	2022-23*	Times increase
Foodgrains	97.32	132.2	1.36	50.82	330.53	6.50
Cereals	77.42	103.07	1.33	42.41	303	7.14
Rice	30.81	47.66	1.55	20.58	135.54	6.59
Wheat	9.75	31.82	3.26	6.46	112.74	17.45
Coarse cereals/Millets	37.67	23.58	0.63	15.38	55.95	3.64
Pulses	19.09	29.13	1.53	8.41	27.5	3.27
Oilseeds	10.73	30.09	2.80	5.16	40.99	7.94

Note: * 3rd Advance Estimates

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THE COVID YEARS

COVID situation brought food security challenges to many communities all across the world due to supply chain disruptions & affordability.

However Govt had taken considerable measures to protect the vulnerable section.

THE MEASURES

Introduction of Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) which enabled increased allocation of 5kg/person/month food grains FREE OF COST and that too in addition of the allocations under National Food Security Act (NFSA).

DURATION OF PMGKAY: April 2020 to December 2022.

BENEFICIARIES: 80 Crore (These were the same beneficiaries of NFSA)

DISTRIBUTION: Nearly 104.3 MMT foodgrains were distributed apart from allocations under NFSA. India also exported 19.83 MMT rice during this period (2020-21 to 2022-23)

COARSE GRAINS & MILLETS

Coarse cereals (like maize) and millets production increased over the years. (55 MMT from 15 MMT in 1950-51).

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But a remarkable feature is that the area under cultivation has reduced. The reason behind this phenomenon can be reduced demand due to:

- Shift in consumer preferences towards rice & wheat.
- Low productivity
- Low profitability

Considering the nutrition component & climate change, on India's request, the UN has termed **2023 as *International Year for Millets.***

PULSES

India is the largest producer, consumer & importer of pulses. The overall pulses production has gone up from 8.4 MMT (1951-52) to 27 MMT(2022-23).

The pulses production has not been in line with the population increase. The per capita availability has declined from 22.1 kg per person (1951-52) to 16.4 kg per person (2022-23).

The government has taken requisite steps to incentivize pulses production under National Food Security Mission, MSP programs & increasing procurement.

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EDIBLE OIL

India depends on imports to meet its edible oil requirements. The import dependency in 2023-23 was 55%.

There was near self sufficiency in the early years up till 1970s.(dependency was just 3%). But over the years (till mid 1980s) dependency increased to 30%.

Gol implemented the Technology Mission on Oilseeds to boost production. Dependency reduced by just 2% in 1993-94.

To make country Atma nirbhar in Oilseeds, National Food Security Mission-Oilseeds (NFSM-O) was launched in 2018-19 & National Mission on Edible oil & Oil Palm (NMEO-OP) launched in 2021-22.

FRUITS & VEGETABLES

Production of fruits & vegetables has increased manifold in the last decades. It was 87 million tonnes to 320 million tonnes in 2022-23.

The per hectare yield is also very high- 17 tonnes per hectare as compared to 2.5 tonnes per hectare in terms of foodgrains.

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There is a major shift towards consumption of fruits & vegetables as average incomes are rising. Hence consumption will keep on rising. The challenge is perishability & seasonality. Government, here, needs to focus on infrastructure such as processing centres & cold chains. The National Agri Infra Financing Facility of Rs. 1 Lakh crore announced in 2020 is a welcome step.

AGRICULTURE RESOURCES & INPUTS

Table 2. Irrigation and Fertiliser trend

	1950-51	2019-20	Increase by times
Net sown area (Million hectares)	118.75	139.90	1.17
% of net irrigated area	17.55	53.39	3.04
gross area sown (Million hectares)	131.89	211.36	1.6
Fertiliser consumption (Million tonnes)	0.698	29.796	42.68
per ha fertiliser in kg	0.53	140.97	265.98

PRICE POLICY & MARKET

The Govt fixes the MSP for 22 crops & Fair & Remunerative Price (FRP) for sugarcane.

SIGNIFICANCE OF MSP:

- It acts like a safety net for farmers.
- To protect consumers.
- To tweak the production pattern.

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BACKGROUND

- In **1964**, **Lal Bahadur Shastri** formed the **Food Grain Price Committee (under LK Jha)**, to push for a MSP regime.
- The first **MSP announcement** was made in **1967**.
- Later, the government set up the **Agricultural Prices Commission (renamed as the Commission for Agricultural Costs and Prices (CACP) in 1985)** for fixing MSP for crops.

WHO ANNOUNCES MSP?

Cabinet Committee on Economic Affairs (Chaired by the Prime Minister of India) **on the basis of the recommendations of the CACP** at the beginning of the sowing season for certain crops.

CROPS COVERED

- Government announces MSPs for **22 mandated crops and fair and remunerative price (FRP) for sugarcane (total 23)**.
- The mandated crops are **14 crops of the kharif** (summer sowing) season, **6 rabi crops** (Wheat, Barley, Gram, Masur (Lentil), Rapeseed & Mustard, Safflower) and two other commercial crops.

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AGRICULTURE PRODUCE MARKET COMMITTEE ACT

Under the APMS Act, the open markets for agriculture have long been regulated by the government.

With the availability of IT Technology, the **electronic National Agriculture Market (e NAM)** was launched in **2016**. This platform integrates all the mandis and allows farmers to sell their products wherever they fetch the best price for their products.

Digital Public Infrastructure (Agristack & Krishi Decision support system) is being built by using space tech & other latest tech like AI & ML.

SUSTAINABILITY OF AGRICULTURE

As agriculture is highly dependent on weather, there are challenges to sustain food production & make agriculture more resilient to climate change.

The government has launched National Mission on Sustainable Agriculture (NMSA) & National Innovations in Climate Resilient Agriculture. (NICRA)

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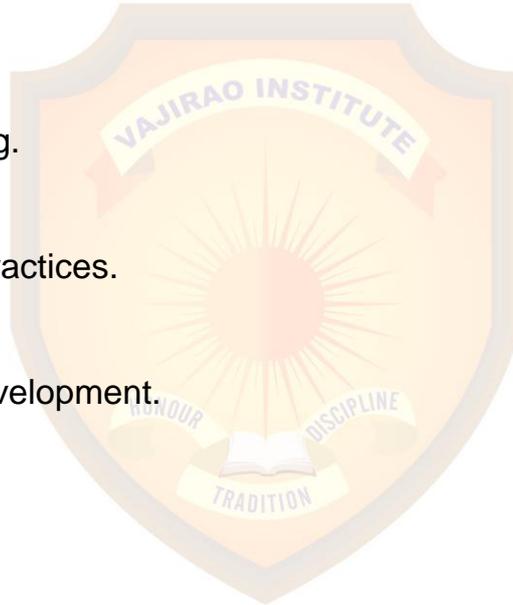
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CHALLENGES

- Over reliance on groundwater. This is depleting the groundwater levels.
- Since it is highly dependant on monsoon, climate change can pose immense challenges.
- Soil Health deteriorating.
- Mismatching farming practices.
- Lack of Research & development.



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