

## Reviving Agriculture - Need for Holistic View

### What is the issue?

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Farmers in States like Tamil Nadu, Madhya Pradesh, Maharashtra and Karnataka are now demanding loan waiver.

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### How far is it justified?

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- Writing off farm loans is an incentive that **neither helps build capacity among growers nor improves the efficiency** of farm activities.

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- Usually, receiving such an incentive becomes habit-forming and promotes a tendency to treat farm loans as a grant rather than as a debt.

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- Having said this, under Indian farm conditions, farmers are greater risk-takers, much more than industrialists.

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- In most parts of the world, especially in developed economies, agriculture is almost invariably subsidised.

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- But, in our country, **agriculture enjoys little subsidy** and often, **suffers negative subsidy** in the form of various restrictions.

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- In Tamil Nadu, Karnataka and parts of Maharashtra, **inadequate rains, and lower prices** have weakened farmers' capacity to repay loans.

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- The same cannot be said to be the case in Madhya Pradesh where agriculture is a success story of recent years. Thus, the status of farmers differs across the country.

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### What could be the solution?

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- **Short-term measure** - Instead of writing off loans, rescheduling or restructuring them should be explored.

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- This is particularly important in States that have suffered natural calamities, such as poor rainfall.

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- **Medium-to-long-term measure** - It is vital to step up policy support, investment support and research support for agriculture.

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- Some of the important steps to revive agriculture include:\n

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- Strengthening the input delivery system.

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- Rapidly expanding irrigation facilities.

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- Investing farming with multiple technologies.

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- Investing in rural infrastructure.

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- Using ICT to deliver price, market and weather information to growers.

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- And lastly, work to build capacity among farmers to withstand market volatility as integration with the global market grows.

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- All anti-farmer restrictions such as those on storage, marketing and export trade should be done away with.

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- Low prices of pulses and oilseeds cannot be treated as isolated incidents. They represent a trend that cannot be overlooked.

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**Source: Business Line**

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