

19/22 Discuss the efforts that are required to form collectives and
51/3 formalization of rural agriculture.

The agriculture registered an increase
to 19.4% of GDP in 2020-21 from 17.8% in 2019-20.
Agriculture supports 75% of population and
contributes 46% to the national economy.

Problems faced by rural agriculture

① Market integration is not consistent with
the rural production clusters. As a result
farmers end up paying high input credit and
distress sale.

② Absence of national database on rural
producers on the lines of National database of
unorganized workers limits their social security
benefits.

③ Their transaction history is not documented
and face difficulty in accessing formal
finance.

④ As they lack sufficient infrastructure
value addition takes a back seat.

Efforts required

① setting up of technology quality and training hubs can enhance the scale of rural production clusters.

② Government can set up storage facilities on lease models. Conveying control and state warehousing complexes with Grain Storage can be considered.

③ Bank credit portal for financial management and business accounting to farmers.

④ Formalisation and registration of rural producers with unique id on the line of PM Formalisation of micro food processing enterprises.

⑤ The farmer producer organisations must be recognised statutorily for better bargaining and to represent farmer voices at higher levels.

Agriculture can contribute \$1 trillion in India's target of \$5 trillion by efficient formalization of rural agriculture.