

Moving the needle on agriculture

Reforms and structural changes are a continuous process and more needs to be done

**AJAY
S SHRIRAM**

Chairman & senior managing director,
DCM Shriram

THE EXPECTATION OF a big announcement for rural India was high, and the Budget did not disappoint. Before getting into the specifics, a positive trend that may have gone unnoticed is the conversation has moved from farm output to farm income. Having achieved self-sufficiency plus surplus in production, the

country need not worry about “where will food come from?” With farmers having delivered, it is incumbent on us to ensure they earn adequate income to support family and meet aspirational goals.

Providing assured income support to small and marginal farmers under PM-KISAN is historic. First, it will provide relief from distress on account of low prices. Second, such a transfer leaves the choice of how to use the money to the farmer. Third, an unintended benefit would be that all land records will get fully streamlined once and for all. A sop that was expected by some was a loan waiver. It’s encouraging the government didn’t choose that route, as it results in poor credit discipline and

lowering credit rating, which eventually hurt the farmer.

Setting up of a department of fisheries is welcome, as it needed focus. The FM rightly emphasised its importance by pointing out we are the second-largest producer in the world, plus it provides employment to 1.5 crore people. With significant change in food consumption patterns and the shift towards high-value proteins, fisheries will fill this gap.

Farming is risky business, often not understood by urban dwellers. Uncontrollable factors are many, from fall in commodity prices to natural calamities. The proposal to extend interest subvention for farmers affected by severe natural calami-

ties, for the entire period of rescheduling of their loans, is welcome. A unique feature was articulation of a 10-year vision. The goals set were stretching and give a clear direction to the nation. Expectedly, rural India and sustainable agriculture found a prominent place, as India races to become a \$10-trillion economy.

Will the Budget solve all woes of farmers? Certainly not. Reforms and structural changes are a continuous process and more needs to be done. Freeing agriculture markets from licensing, land leasing, stable trade policy, encouraging food processing/linking farmers with modern trade, allowing use of biotech, growth in non-agricultural jobs, etc, are work in progress and will certainly be on the radar of policymakers. Finally, the question is: Where will the money come from? Fortunately, India is sitting in a sweet spot. With a rapidly growing economy and buoyancy in tax collection along with low inflation rates, the downside is indeed very low.