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Strengthen farm sector

The growth in agriculture sector is crucial to maintaining the GDP momentum. Agriculture income affects the lives of nearly 700 million Indians. Higher food prices and food security will continue to be areas of concern for the policy-makers.

Faced with a decline in agriculture productivity, irrigation problems, small land holdings, and continued market access issues for the farmer, several initiatives have to be strengthened.

Some of the important areas which can be addressed are:

Increased role of the Government in urgently building infrastructure such as roads, power supply, cold storage and warehouses. The Public-Private Partnership models have to be made sufficiently attractive to encourage widespread private sector participation.

Rural credit availability continues to remain a problem. Innovations in banking are needed to unchoke this major bottleneck. Microfinance activity can be spread.

Credit flow has to be integrated with

improved risk cover. The movement in this area has been slow.

Rational management of the Minimum Support Price mechanism — both the amount and the timing — is necessary to encourage crop diversification while ensuring remunerative prices to the farmers.

National schemes such as the NREGA can be aligned to execute projects which directly improve and assist in agri activities such as improvements to water bodies, and minor roads. Incentive

schemes are needed to encourage building up agriculture research and extension activity on PPP mode to facilitate last-mile delivery of agronomic knowledge to the farmers.

A scheme to build a cadre of trained and qualified extension personnel can be considered. Adequate and timely avail-

ability of vital inputs such as fertilisers and seeds must be ensured. Underprovision of fertiliser subsidies and delayed decision-making have been major bottlenecks in the past.

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