



## Strategies Double the Income of Farmers: An Overview

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### Abstract:

*There is an inevitable situation in the country today where the income of the farmers must be increased. Because, the income of all citizens in India has been increasing as a result of development over the past seven decades. But the income of farmers alone is not increasing significantly. Due to this, the condition of Indian farmers is still miserable. The net result was that per capita agricultural production increased by 45 percent, making India self-sufficient in food production at the overall level and the country reaching net food raffish status. The strategy we followed in the past did not address any measures to increase farmers' income and improve their welfare. The net effect of this was that farmers' incomes were lower. This was reflected in the seriousness of the poverty of the farming families. In view of all these reasons, the Government of India constituted an inter-ministerial committee in April 2016 to examine ways to double farmers' income.*

**Key words:** HVC, PAC, FPOs, SHGs & MSP.

### I. Introduction:

The previous strategy for agricultural sector development in India was mainly limited to the drive to increase agricultural production and improve food security. The net result was that per capita agricultural production increased by 45 percent, making India self-sufficient in food production at the overall level and the country reaching net food raffish status. The strategy we followed in the past did not address any measures to increase farmers' income and improve their welfare. The net effect of this was that farmers' incomes were lower. This was reflected in the seriousness of the poverty of the farming families.

Low levels of absolute income and large income gaps between agricultural and non-agricultural workers were a major cause of the serious crisis in agriculture in the 1990s. This issue created a state of great anxiety within a few years. This dire situation created a series of farmer suicides between 1995-2004. These extreme fluctuations in farmers' incomes had a serious impact on interest

and investments in agriculture. Due to this, a large number of tillers, especially the young farmers, left agriculture and turned to other occupations. This development had a very profound adverse effect on the future growth of the country's agriculture. Even the economic schemes implemented in the country did not benefit the farmers. In this background, the initiative aims to double farmer's income by 2022-23 productivity and enhanced market access was put forward.

In view of all these reasons, the Government of India constituted an inter-ministerial committee in April 2016 to examine ways to double farmers' income. This committee in September 2018.Submitted its report to Govt. In this report, it suggested measures to double the income of farmers in a total period of seven years from 2015-16 to 2022-23. A growth rate of 10.4% per annum would have to be achieved to double the income of farmers during this seven-year period.

### Sources of growth of farmers' income:

As mentioned earlier, the goal is to double the real income of farmers through targeted policies, improved agricultural practices, and better access to markets by 2022-24. Relative to the base year of 2015-16, the average the initiative focuses on achieving an annual growth in farmers' income through sustainable agricultural practices, enhanced support systems, and improved market linkages. Would have to be 10.41 per cent. As such, the current growth rate and the growth rate achieved in the past will have to grow very sharply. Therefore, the rate of growth of all sources of farmers' income has to be increased through very strong measures. The major sources of growth operating within the agricultural sector include technological advancements, improved infrastructure, better access to finance, and enhanced market connectivity:

1. Improvement in productivity is a key driver for increasing farmers' income, achieved through better farming techniques, modern technologies, and efficient resource management.



2. Resource utilization efficiency and savings in production costs are crucial for enhancing farmers' profitability, achieved through optimized use of inputs, better management practices, and cost-effective technologies.

3. An increase in the intensity or density of crops helps maximize land use, leading to higher yields and improved overall farm productivity.

4. Diversification towards High Value Crops (HVC).

**Sources available outside of agricultural activity are:**

1. Shifting of tillers from agriculture to non-agricultural activities

2. Improvement in trade receivables of farmers or improvement in real prices received by farmers

**A strategy to improve farmers' income, the four sources of output and growth are:**

1. Development efforts including infrastructure

2. Technology

3. Attitudes and

4. Organizational factors

**Action Plan:**

The quantitative framework for doubling farmers' income identifies a total of seven sources of growth, which include improvements in productivity, resource utilization efficiency, crop diversification, market access, better irrigation, reduced post-harvest losses, and increased income from livestock and allied sectors:

1. Increasing the productivity of crops

2. Increasing dairy production

3. Improvement of efficiency of use of investments (cost savings)

4. Increasing cropping intensity

5. Diversification towards High Value Crops (HVC).

6. To enable farmers to get improved prices and

7. Shifting of cultivators to non-agricultural occupation

**Measures taken by the Government:**

The steps taken by the government to double the income of farmers in the country by 2022-23 include implementing price support schemes, enhancing irrigation infrastructure, promoting organic farming, providing access to credit, and introducing technological innovations in agriculture:

**1. PM Kisan Scheme:**

This scheme (PM-KISAN) was announced in 2019. Under this, all the farming families who own a

limited amount of land across the country will get Rs. 6000 as income support. Each Rs. 2000 will be transferred directly to farmer beneficiary families in three installments. From 24.2.2019 to 2022-23, when this scheme was launched, there were 10.71 crore beneficiaries. Apart from this, various state governments are also transferring funds.

**2. Agriculture Infrastructure Fund:**

Prime Minister on May 15, 2020 Rs. 1 lakh crore agriculture fund announced. The scheme was inaugurated by the Prime Minister on August 9, 2020. The scheme will be operational from 2020-21 to 2029-30 in which medium and long-term credit facility will be provided to invest in useful post-harvest projects. Finance for this scheme is provided by Primary Agricultural Credit Societies, Marketing Co-operative Societies, Farmer Producer Societies, and Self-Help Societies play a vital role in supporting farmers by providing access to credit, facilitating marketing opportunities, promoting collective bargaining, and improving financial inclusion at the grassroots level.

**3. Agricultural credit:**

Agricultural loan target for 2019-20 is Rs. 13, 50,000 crore was fixed. But in reality Rs. 13, 92,470 crore was distributed. Agricultural credit target for 2020-21 is Rs. 15, 00,000 crore was fixed. In this, by November 30, 2020, Rs. 9,73,518 crore was provided. For 2023-24 Rs. A proposal to set a target of 20,00,000 crores was put forward.

**4. Minimum Support Prices – MSP:**

The Central Government has announced the hike in Minimum Support Price on June 1, 2020. It said it will come into effect in the 2020-21 marketing season for Kharif crops. This increase ranged from a minimum of 50 per cent to 83 per cent during the Kharif period. Similarly for rabi season crops announced on September 21, 2020. The government said that this will be implemented during the marketing period of 2021-22. This increase was also from 50 percent to 106 percent. In this, wheat saw an increase of 106 percent. Similarly many state governments announced their support.

**5. Crop insurance:**

The Pradhan Mantri Fasal Bima Yojana set a new benchmark in agricultural insurance by providing farmers with comprehensive coverage against crop losses due to natural calamities, ensuring financial security and risk mitigation. milestone in the provision of crop insurance. The amount of crop insurance given per hectare was Rs.



15,100 to Rs. 40,700 was increased. This project is 5.5. Koti considers farmer applications on a year-by-year basis. After the implementation of this scheme (2016) in the period of 8 years till March 2024, applications of 56.80 crore farmers were registered and 23.22 crore farmers applied for crop loss compensation. During this period, Rs 31,139 crore was collected as premium from farmers, while Rs 1, 55,977 crore was distributed as crop loss compensation.

#### **6. Dairying:**

India, the largest producer of milk in the world, saw its milk production rise from 146 million tonnes in 2014-15 to 230 million tonnes in 2022-23, with the dairy sector contributing 4.35% to the gross value added in 2019-20. The government took several measures to increase the productivity of cattle. Milk production increased by 5.68 per cent in 2019-20 and per capita milk availability was 407 grams in 2019-20. Apart from this, various state governments are also providing price subsidies for milk. The Central Government has set up the 'Animal Husbandry Infrastructure Fund' (AHIDF) with an allocation of Rs. 15,000 crore, which is a part of Atma Nirbhar Bharat Abhiyan. For control of foot and mouth diseases from 2019-20 to 2023-24 Rs. 13,343 crore has also been implemented.

#### **7. Fisheries:**

India is the second-largest fish-producing country in the world, contributing significantly to the global seafood market and supporting the livelihoods of millions of people in the fishing industry. 175 lakh tonnes of fish production in 2022-23 and in the same year Rs. 61,044 crore worth of fish and fish products were exported. About 28 million people depend on this profession in the name of 'Blue Revolution' for fisheries development in 2015-16 over a five-year period of Rs. 3,000 crore was targeted to be spent. In October, 2018, the Central Government established the 'Fisheries and Box Fish Farming Infrastructure Development Fund' (FIDF) with an allocation of Rs. 7,522 crore provided. The 'Pradhana Mantri Matna Sampada Yojana' (PMMSY) was announced on May, 2020 as part of the Atma Nirbhar Yojana with Rs. 20,050 crore

#### **8. Agricultural research and education:**

Agricultural research and education have been given more emphasis in the Farmers' Income Doubling Scheme. The Government has decided to further strengthen the Indian Council of Agricultural Research (ICAR). The council has so far produced

1,330 varieties of 1, 15,707 quintals of sowing seeds and 51 field crops. 731 new sowing seeds and 98 horticulture crops were developed in 2021.

#### **9. Mechanization and crop residue management:**

The central government has given special emphasis to agricultural mechanization and crop residue management. It has set up several centers The states of Punjab, Haryana, and Uttar Pradesh have introduced schemes to provide agricultural machinery and equipment on a rental basis to small and micro farmers, ensuring they have access to modern tools for enhanced productivity without the heavy financial burden of ownership. Appropriate training is given to the farmers to properly manage the crop residue or residue and the machinery is being provided for this purpose.

#### **10. Food processing:**

The food processing (FP) industry is growing rapidly and is contributing 10 per cent to the Gross Value Added (GVA) (2019-20). Central government is investing huge amount in this field. As a part of Atmanirbhar Bharat Abhiyan for setting up 'Micro Food Processing Industry' (PM-FME) for the period 2020 to 2025 Rs. 10,000 crore capitals provided. This scheme will help 2 lakh micro processing units. The scheme has a vision of 'One District One Product' (ODOP). 137 distinctive products have been selected for this purpose in 650 districts. A scheme called 'Operation Greens' has been implemented for the processing of Tomato, Onion and Potato (TOP). Now to this Horticulture crops are included. The government announced the 'Production Linked Promotion' (PLI) scheme in ten sectors in November, 2020 for which Rs. 10,900 crore has been provided. The sector will receive 4.99 billion dollars from 2014 to 2021 and 411 million dollars of foreign direct investment (FDI) in the same year of 202130.

#### **11. PM-Kisan SAMPADA Yojan:**

The 983 projects like food parks, cold linkage, agro processing clusters, backward and forward linkages, ventilation greens etc. were sanctioned under PMKSY. By December 28, 2021, 530 projects had been implemented in this.

#### **12. Food management:**

Implemented a food management program to ensure proper storage of food grains and sufficient wheat and rice from central storage to be available for food security.

#### **13. Food subsidy:**

Food subsidy plays a major role in the program to double farmers' income. Central and State



Governments are widely providing subsidies. According to the estimates of the central government's 2022-23 advance letters, the share of subsidy in the total expenditure of the center will be 8 per cent. During 1990-91, the amount of food assistance was Rs. 2,450 crores. By 2021-22 it will be Rs. 2.88 lakh crores. According to the budget estimates for 2023-24, the food subsidy during this period was estimated at 1.97 lakh crore.

#### 14. Irrigation facilities:

Irrigation facilities are also being utilized as a measure to double the income of farmers. Millions of crores of capital has been invested in various five-year plans for the provision of irrigation facilities. In 1996-97, the government implemented the 'Immediate Irrigation Benefit Scheme' (AIBP) to provide financial assistance to irrigation projects. Under this till December, 2013 Rs. 64,228 crore was provided. Under the 'Pradhana Mantri Irrigation Scheme' (PMKSY) implemented in 2015, Rs. 50,000 crore was withdrawn. NABARD under 'Long-term irrigation fund' scheme in 2018-19 Rs. 25,000 crore was provided for irrigation. Apart from this, various state governments are investing thousands of crores for this purpose. By December, 2021 in Micro Irrigation Fund (MIF) Rs. 3.970 crore was spent and micro irrigation facility was provided to 12.81 lakh hectares.

#### 15. Food storage:

Central and state governments have also invested thousands of crores in food grain storage. The total food grain storage capacity of Food Corporation of India (FCI) and state governments as on December 31, 2021 was 962 million tonnes.

#### 16. Ethanol production:

The central government is encouraging ethanol production to increase the income sources of farmers. It has set a 20 per cent blending limit till 2025 for the addition of ethanol with petrol. For this purpose it is providing financial assistance to sugar mills and distilleries under 'Ethanol Blended Petrol Scheme' (EBP). Due to this measure, 302 crore liters of ethanol production was targeted for 2020-21. Apart from this, the government has provided 'Soil card' scheme for soil fertility testing, promotion for organic farming, special promotion for universities imparting agricultural education and opportunities for farmers to sell goods wherever they want. In addition to this, it is increasing the support given to agriculture in its annual budget advances.

Despite all these measures, there are doubts about the success of the plan to double farmers' income by 2022-23. Since agriculture is in the list of states, the state governments are investing more than the center in market development, irrigation, infrastructure development etc. The responsibility of the state governments, which are experiencing capital shortages, is high and the revenue doubling plan has become a burden for them. So there is a need for the central government to make a huge contribution to help them.

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## II. Conclusion: