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Doubling farm income, the need of the hour

Adopting clean energy, smart irrigation practices are the key to boosting output

Sustainable livelihood is a top priority for the nation today. Over half the country's working population is employed in agriculture and a sustained as well as steady growth in rural incomes is critical for a positive ripple impact on the manufacturing and services economies of the nation.

The clarion call made by Prime Minister Narendra Modi to double farm incomes is a firm, objective and targeted step in this direction.

In this context, the Food, Energy, Water (FEW) framework is extremely topical, given the current state of affairs of deployment of factors of farm production, viz water, agri inputs, soil and energy.

There are numerous dimensions to leveraging the best of diversification, risk management, technology, clean energy and corporate supply chain initiatives in the context of the FEW nexus, for substantially improving farm incomes.

Diversified Cropping

Nearly two-thirds of the total agriculture production today is high value (dairy, horticulture, fish, meat, poultry, spices).

In the process, farmers have been nudged to shift to less water-intensive crops, reduce dependence on rain, and ensure that their livelihoods are more sustainable.

However, this diversification has been largely driven by a few States only, like Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra and West Bengal.

Diversification needs to be more geographically widespread and augmented through further thrust on processing of perishables.

Government support in identifying commodity-specific clusters, developing infrastructure and encouraging entrepreneurship, shall go a long way in ensuring diversification-led sustainable livelihoods.

Risk management

Since long, inefficient subsidies on the input and output sides of the value chain had been curtailing growth, ineffectively reaching beneficiaries and promoting unsustainable farm practices, thus dis-incentivising diversification and adding to the twin deficits challenge.

Recent prudent policy interventions by the Centre on Direct Benefits Transfer, rationalisation of subsidies, and solutions to curb fertiliser misuse, are some steps initiated over the last two years that are slowly making an efficient risk management framework for farmers, a key enabler of sustainable farming.

Further, the entire paradigm of risk management – through warehouse receipt financing, crop and weather insurance, and market-driven efficient price discovery – needs to be brought into the mainstream as an alternative to the current policy of price support, skewed mainly towards food grains.

Farmers need to expand their horizons to a wider dimension of value addition, and collaborative researches in technology are required to produce processable grades of commodities. Specific clusters need to be identified to produce such grades at a large scale. Innovative use of ICT across the value chain is key to an efficient farm risk mitigation mechanism.

Impetus needs to be given to technologies promoting climate smart agriculture, farm yield improvement, lower utilisation of resources, climate-resilient crops, better soil management and efficient farm-level water management.

Clean energy

Driven by policy and regulatory initiatives of the Centre for the first time ever, the long desired ethanol blend percentage of five per cent in fuel on an all-India basis is likely to be reached this year.

The substituted 135 crore litres of petrol will save the country close to $1 billion forex annually. Ethanol produced domestically from sugarcane reduces environmental pollution, improves engine-life, increases fuel efficiency and also improves returns for cane farmers and the domestic industry.

Further, there is a need to make irrigation climate-smart. Electricity and diesel usage in groundwater irrigation produces about 26 MMT of carbon emissions — about 5 per cent of India’s total.

Solarising the groundwater economy could eliminate this huge carbon-footprint, reducing the carbon-intensity of the country's economic growth and address the farm power subsidies debate.

Initiatives by farmers' groups in pooling resources for solar energy supply to the grid too, need to be promoted. These steps shall go a long way in reconfiguring our power economy, groundwater economy and agrarian livelihoods.

Corporate help

Companies with an enlightened self-interest in adhering to the triple bottom line have totally transformed the way practices across the supply chain operate.

There are numerous instances of global multinationals and Indian corporates that have built tenets of sustainability through collaboration with farmers, through deployment of appropriate water management, energy usage, agri inputs application and soil management.

A sustainable agriculture revolution leveraging the best of the tenets of the FEW nexus for improving farm incomes is a necessity, not a choice. Let us embrace this in the larger interest of building a vibrant farm economy.

The writer is Senior President (Food & Agribusiness Strategic Advisory and Research) of YES Bank, and Distinguished Fellow of YES Institute

Sugar Control Order extended by 6 months

New Delhi, October 27:
To prevent hoarding of sugar in the ongoing festival season, the Union Cabinet on Thursday approved extending the validity of the existing Central order for six more months — from October 29, 2016 to April 28, 2017.

"The main objective of the decision is to enable the State governments to issue control order with the prior concurrence of Central Government, for fixing stock limits/licensing requirements in respect of sugar, whenever need is felt by them," said an official release .

The government expects this move to help in the efforts being taken to improve the availability of these commodities to the general public at reasonable rates, and control the tendencies of hoarding and profiteering, it added.

Horticulture boost for J&K

The Cabinet Committee on Economic Affairs (CCEA) approved a one-time relaxation of Mission for Integrated Development of Horticulture (MIDH) cost norms for Jammu & Kashmir toward restoration of damaged horticulture areas and development of horticulture.

“The approval would help in setting up of 329 ha of new apple orchards and restoration of 3,900 ha of damaged orchards over a period of three years with overall financial implication of Rs. 500 crore, with Rs.450 crore as Central share,” an official statement read.

The CCEA also approved import of planting material at the maximum rate of Rs. 460/plant for 329 hectares of new apple orchards and restoration of 3,900 hectares of old damaged apple orchards. “The rate of financial assistance shall be 90 per cent, that is 90 per cent shall be borne by the government and 10 per cent by the beneficiary farmer,” the release added.

The move will help in the efforts being taken to improve the availability of these commodities to the general public at reasonable rates, and control the tendencies of hoarding and profiteering.

As its cotton fortunes wither, Mahyco sows seeds of rice, wheat, vegetables

Bengaluru, October 27:
Maharashtra Hybrid Seeds Company Pvt Ltd (Mahyco) has stepped up its focus on vegetables and field crops such as rice and wheat, where it sees major potential for hybridisation.

This is even as the company’s cottonseed business has shrunk on stagnating acreage under the fibre crop, rising competition and due to the impact of seed price control, among other reasons.

“Field crops and vegetables are a priority to us, while we continue to come up with newer hybrids in cotton. We see major potential for hybridisation in crops such as rice, wheat and maize, among others,” said A Subbarao, Senior Vice-President, Mahyco.

The company has been witnessing faster growth in its non-cotton business in the past couple of years.

“Our vegetable seed business, which accounts for around 40 per cent of our revenues, is growing at around 15 per cent annually, while the field crops seed business is growing at 20 per cent,” he added.

Revenue from the cottonseed business has shrunk for Mahyco and now accounts for around 40 per cent of the company's earnings as against 50 per cent four years ago.

Mahyco Group revenues, including entities such as Sungro Seeds, stood at around Rs. 750 crore in 2015-16 as against around Rs. 900 crore four years ago.

At its R&D farms at Ghanewadi, near Jalna, Mahyco showcased over two dozen new seed products as part of Innovation Day celebrations.

A new cotton hybrid that can withstand attacks from sucking pests such as white fly; a new wheat hybrid that makes chapati taste better, virus resistant tomato and chilly hybrids, a bajra hybrid that consumes less water during cultivation are part of the product pipeline it expects to commercialise over the next few years.

The company organised the display — the first such large-scale effort in almost six years — as part of an initiative to strengthen its connect with farmers. Over 2000 farmers from Central, Northern Maharashtra and parts of Gujarat and Madhya Pradesh attended the three-day event.

“We think it is a powerful method to take new products to our consumers and get direct feedback from them,” Subbarao added.

Moving away from cotton

Mahyco, which introduced Bt cotton in India about 15 years ago in partnership with Monsanto, saw its revenues soar after farmers brought more acreage under the genetically modified fibre crop as the technology provided protection against the dreaded pink bollworm and also boosted yields.

However, with Bt cotton developing resistance to pink bollworm in the last few years and farmers’ preference for other crops such as pulses and maize this kharif, cotton acreage has dropped by about 10 per cent, impacting major players, including Mahyco.

In addition, the Government's decision to control the selling price of Bt cotton seeds has also hurt its earnings.

Bharat Char, Biotech Lead, Mahyco R&D, said the company was working with technologies such as marker-assisted breeding to bring newer hybrids into the market.

Mahyco is also working on developing crops that are tolerant to drought and salinity, he added.

The writer was recently in Jalna at the invitation of Mahyco

Relief for growers: Karnataka to buy onion at Rs.6.24/kg

Bengaluru, October 28:
In what could bring some respite to the beleaguered onion growers in Karnataka, the State government has decided to intervene in the market to procure the bulb at Rs. 6.24 a kg.

The move is aimed at boosting and stabilising the onion prices, which have been ruling at abysmally low levels since the commencement of harvest about six weeks ago, officials at the Karnataka Horticulture Department said. The Karnataka State Co-operative Marketing Federation is expected to soon commence onion procurement on behalf of the State government in the 13 districts where onion is largely grown, officials said.

“The idea is to purchase at least 10 per cent of the onion produced over 30 days from the date of commencement of procurement,” officials said. According to the Horticulture Department, onion acreage in Karnataka stood at around 1.35 lakh ha and the production is estimated to be between 22 and 23 lakh tonnes.

Onion prices in several markets of North Karnataka had touched a low of Rs. 50-100 a quintal, triggering sharp protests from growers in the region. On Friday, the modal prices in key markets such as Hubballi, Gadag, Davangere, Ranebennur and Raichur ranged between Rs. 450 and Rs. 580 a quintal, lower than the price of Rs. 624 at which the government intends to procure from the farmers. However, the procurement price is much lower than cost of production of Rs. 1,094 per quintal as estimated by the Karnataka Agriculture Price Commission.

Though the production is at par with last year’s levels, onion prices in the State are influenced by the higher release of stored produce from the neighbouring Maharashtra. Besides, the disruption in road transport services between Karnataka and Tamil Nadu over the sharing of Cauvery river water has also impacted the supplies, influencing the prices. Karnataka is the second largest producer of onion after Maharashtra.