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10 Years of Transformation: Revolutionizing Agriculture

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Confidence of farmers is key strength of the country: Prime Minister Narendra Modi

The strength and vitality of a nation's farmers, often referred to as 'Annadatas', is closely linked to the overall empowerment and prosperity of the country. The sincere efforts of the Government of India to uplift this crucial segment of society warrant commendation and recognition. In a rapidly advancing economy like India, nurturing the agricultural sector holds equal importance alongside the transformation of industries and digital infrastructure.



Today, farmers across the nation are experiencing a newfound sense of economic security and assurance.

- Showing the government's farmer-centric focus, the budget set aside for agriculture increased 5 times from ₹1.37 lakh crore during 2007-14 to ₹7.27 lakh crore during 2014-25.
- Pradhan Mantri Fasal Bima Yojana (PMFBY) has become the largest crop insurance scheme in the world in terms of farmer enrolments as well as the third largest scheme in the world in terms of insurance premiums.
- Infrastructure near the farms is key to farmers' welfare. Since the inception of the Agriculture Infrastructure Fund, Rs 35,262 Crores have been sanctioned for 48,352 projects. Major projects sanctioned under AIF include 11,165 warehouses, 10,307 primary processing units, 10,948 custom hiring centers, 2,420 sorting & grading units, 1,486 cold store projects, 169 assaying units and around 11,857 other kinds of post-harvest management projects and

community farming assets.

- A historic MSP increase was announced where, for the first time, the minimum support price of all 22 crops was set at a minimum 50% more than the cost.
- Soil health cards provide farmers with the nutrient status of their soil and its composition. Till December 19, 2023, 23.58 crore soil health cards have been distributed to farmers.
- The introduction of 100% neem coated urea. In the last 10 years, urea production has risen to 310 lakh metric tonnes from 225 lakh metric tonnes in 2014.
- Paramparagat Krishi Vikas Yojana launched Total fund released Rs 1980.88 Cr since 2015-16 (as on 31.01.2024). Under the scheme 37,364 clusters (20 ha each) have been formed, 8.13 lakh ha area covered (including LAC) and 16.19 lakh farmers have benefitted.
- Promotion of FPOs As of January 31, 2024, 7,950 FPOs have been registered. Equity Grant of Rs 142.6 Crore has been released to 3,183 FPOs. Credit Guarantee Cover worth Rs 246.0 Crore issued to 1,101 FPOs.
- Agricultural mechanization During the period from 2014-15 to December, 2023 an amount of Rs 6405.55 crore has been allocated for agricultural mechanization. From within the funds of Sub-Mission on Agricultural Mechanization (SMAM), so far an amount of Rs 141.41 crores have been released towards Kisan drone promotion, which includes purchase of 317 Drones for their demonstration in 79070 hectares of land and supply of 527 drones to the farmers on subsidy.
- As of January 31, 2024, 1.77 crore farmers and 2.53 Lakh traders have been registered on e-NAM portal.
- Introduction of Kisan Rail Till 28th February 2023, 2359 services on 167 routes have been operated.

Recognizing the invaluable role farmers play in driving the economy forward, the Government of India has extended a helping hand through numerous policies and schemes. These policies provide crucial financial support to farmers, alleviating their hardships and enabling them to sustain their families while contributing to the nation's welfare.

Agriculture's Economic Impact: Shaping the Nation

The agricultural sector, which is estimated to constitute 18 percent of India's GVA in FY24, is the bedrock of the nation's economy. Despite challenges posed by the global health crisis and variability in climate conditions, the sector has demonstrated remarkable tenacity and resilience, contributing significantly to India's economic recovery and development.

The total food grains production for FY23 was 329.7 million tonnes, marking a rise of 14.1 million tonnes compared to the previous year. The average food grain production per year was 289 million tonnes in FY15 to FY23, compared to 233 million tonnes in FY05 to FY14. Rice, wheat, pulses, Nutri/coarse cereals, and oilseeds witnessed record increases in production. India's global dominance extends across agricultural commodities, making it the largest producer of milk, pulses, and spices worldwide.

Additionally, India ranks second-largest producer of fruits, vegetables, tea, farmed fish, sugarcane, wheat, rice, cotton, and sugar. The horticulture production was 355.25 million tonnes which is the highest ever for Indian Horticulture (as per third advance estimates).

The improved performance is also reflected in a substantial surge in agriculture exports, reaching \gtrless 4.2 lakh crore in FY23, surpassing the previous year's records. Given opportunities and an appropriate policy setting, India's farmers have demonstrated their capability to meet the food demands of the rest of the world. The potential is still huge.¹

Empowering Farmers: Groundbreaking Initiatives and Efforts

The policy initiatives, such as Pradhan Mantri Kisan Maandhan Yojana (PM-KMY), Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), and Pradhan Mantri Fasal Bima Yojana (PMFBY), have been



¹ <u>https://dea.gov.in/sites/default/files/The%20Indian%20Economy-A%20Review_Jan%202024.pdf?app=true</u>

instrumental in offering financial and income assistance to farmers. The Government has given priority to over 10 crore small farmers in the country's agricultural policy and schemes.²

Every year, under PM-KISAN Samman Yojana, direct financial assistance is provided to 11.8 crore farmers, including marginal and small farmers.³ Under the scheme, farmers have received over Rs 2.80 lakh thousand crore so far.⁴



Additionally, crop insurance is given to 4 crore farmers under Pradhan Mantri Fasal Bima Yojana.⁵ This comprehensive crop insurance policy ensures that farmers are protected against nonpreventable natural causes, safeguarding their livelihoods and preventing financial ruin in the face of unforeseen calamities. Under the scheme, farmers paid a premium of Rs 30 thousand crore. In return, they have received a claim of Rs 1.5 lakh crore. The government also provides pension benefits to 23.4 lakh small and marginal farmers enrolled under the PM-KMY.⁶ Over the past 10 years, there has been a threefold increase in easy loans for farmers from banks.⁷ These, besides several other programmes, are assisting 'Annadata' in producing food for the country and the world.

In 10 years, more than Rs. 11 lakh crore have been spent to provide fertilizers to farmers at affordable prices. The government has established more than 1.75 lakh Pradhan Mantri Kisan

² <u>https://presidentofindia.nic.in/sites/default/files/2024-01/parliamentspeech.pdf</u>

³ <u>https://www.indiabudget.gov.in/doc/Budget_Speech.pdf</u>

⁴ <u>https://presidentofindia.nic.in/sites/default/files/2024-01/parliamentspeech.pdf</u>

⁵ <u>https://www.indiabudget.gov.in/doc/Budget_Speech.pdf</u>

⁶ <u>https://dea.gov.in/sites/default/files/The%20Indian%20Economy-A%20Review_Jan%202024.pdf?app=true</u>

⁷ <u>https://presidentofindia.nic.in/sites/default/files/2024-01/parliamentspeech.pdf</u>

Samriddhi Kendra. So far, around 8,000 Farmer Producer Organizations (FPOs) have been formed.⁸

The Indian government has implemented several strategic measures to bolster the agriculture sector's growth and resilience. One notable intervention is the consistent increase in Minimum Support Prices (MSPs) for 22 Kharif and Rabi crops⁹. In the last 10 years, farmers have received nearly Rs. 18 lakh crore as MSP (Minimum Support Price) for paddy and wheat crops. This is 2.5 times more than the preceding 10 years before 2014. Previously, the government procurement of oilseeds and pulses crops was negligible. In the last decade, farmers producing oilseeds and pulses have received over Rs. 1.25 lakh crore as MSP.¹⁰

Since the agricultural year 2018-19, the government has ensured a minimum of 50 percent margin over the all-India weighted average cost of production for each crop covered under MSP. This price support also aims to reduce India's import dependence and foster diversification towards pulses, oil, and commercial crops. Accordingly, the highest increase in MSP was approved for lentil (masur) at ₹425 per quintal, followed by rapeseed and mustard at ₹200 per quintal in 2023-24.

Ensuring food security is a cornerstone of government policies, especially for vulnerable populations. Timely and efficient procurement and distribution of food grains is paramount. Over 830 Lakh Metric Tons (LMT) of paddy have been procured for the Central Pool up to June 19, 2023, under MSP operations. The ongoing paddy procurement operations for the Kharif Marketing Season of 2022-23 have benefitted over 1.2 crore farmers, with an MSP outflow of ₹1.7 lakh crore directly transferred into their accounts. Wheat procurement in the current season, up to June 19, 2023, has surpassed last year's total procurement by 74 LMT, reaching 262 LMT. Further, to ensure remunerative prices to the farmers for their produce, the government introduced the Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) scheme in 2018.

With a focus on improving productivity and increasing the efficiency of the production process, the focus has been on enhancement in post-harvest infrastructure investment through the Agriculture Infrastructure Fund (AIF) and Pradhan Mantri Kisan Sampada Yojana (PMKSY). The adoption of sustainable agriculture practices like the Per Drop More Crop Component of the Pradhan Mantri Krishi Sinchayi Yojana (PMKSY-PDMC) and the promotion of Natural Farming to transform agriculture is making it more resilient¹¹.

⁸ <u>https://presidentofindia.nic.in/sites/default/files/2024-01/parliamentspeech.pdf</u>

⁹ <u>https://dea.gov.in/sites/default/files/The%20Indian%20Economy-A%20Review_Jan%202024.pdf?app=true</u>

¹⁰ <u>https://presidentofindia.nic.in/sites/default/files/2024-01/parliamentspeech.pdf</u>

¹¹ https://dea.gov.in/sites/default/files/The%20Indian%20Economy-A%20Review_Jan%202024.pdf?app=true

Pradhan Mantri Kisan Sampada Yojana has benefitted 38 lakh farmers and generated 10 lakh employment. Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana has assisted 2.4 lakh SHGs and sixty thousand individuals with credit linkages. Other schemes are complementing the efforts for reducing post-harvest losses and improving productivity and incomes.¹²

Cultivating Tomorrow: Agritech Revolution

The government has actively promoted digital inclusion and mechanization to foster productivity. The launch of the digital platform e-NAM (National Agriculture Market) in 2016 has facilitated the integration of Agriculture Produce Marketing Committees (APMC) mandis and has provided multi-faceted benefits to farmers, farmer-producer organizations (FPOs), buyers, and traders. **The number of markets linked to the e-NAM platform has increased from 250 in 2016 to 1,389 in 2023, facilitating the online trading of 209 agriculture and horticulture commodities.**

The platform has witnessed the registration of over 1.8 crore farmers and 2.5 lakh traders, promoting market opportunities through a transparent price discovery system and online payment facility. Further, the value of trade on the platform has increased from \gtrless 0.3 lakh crore in August 2017 to over \gtrless 3 lakh crore in November 2023.



The government's push for technology adoption is evident in its efforts to make drone technology

¹² <u>https://www.indiabudget.gov.in/doc/Budget_Speech.pdf</u>

affordable to farmers. Financial assistance at 100 per cent of the drone cost and contingent expenditure has been provided for demonstrations on farmers' fields. In addition, the government is taking steps to strengthen the cooperative movement by computerizing Primary Agricultural Credit Societies (PACS). The linkage of 62,318 functional PACS with NABARD through a single National Software Network reflects the commitment to improving the credit delivery systems in rural areas.

The government has also created **Agristack**, a federated architecture for effective planning, monitoring, policy-making, strategy formulation, and implementation of schemes. Collectively, these initiatives contribute to enhancing farmers' access to quality inputs, timely information, credit, insurance, and market opportunities, all at lower costs and higher convenience. ¹³

Empowering Farmers: Market-Oriented Initiatives and Endeavors

The government has formulated the Agricultural Export Policy in the country for the first time. This has led to agricultural exports reaching up to Rs. 4 lakh crore. The government is promoting cooperatives in agriculture. Therefore, a Ministry of Cooperation has been established for the first time in the country. The world's largest Grain Storage plan has been launched in the cooperative sector. In villages where there are no cooperative societies, 2 lakh societies are being established.¹⁴

To ensure faster growth of the sector, the government will further promote private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chains, primary and secondary processing, and marketing and branding.¹⁵

Nurturing Agricultural Synergies: Empowering Allied Sectors

A separate Department for Fisheries was set up in 2019 upon realizing the importance of assisting fishermen. This has resulted in a doubling of both inland and aquaculture production. Schemes worth more than Rupees 38 thousand crore are being implemented in the fisheries sector, due to which fish production has increased from 95 lakh metric tonnes to 175 lakh metric tonnes i.e. almost doubled in the last ten years. Inland fisheries production has increased from 61 lakh metric tonnes to 131 lakh metric tonnes. Exports in the fisheries sector have more than doubled i.e.,

¹³ https://dea.gov.in/sites/default/files/The%20Indian%20Economy-A%20Review_Jan%202024.pdf?app=true

¹⁴ <u>https://presidentofindia.nic.in/sites/default/files/2024-01/parliamentspeech.pdf</u>

¹⁵ <u>https://www.indiabudget.gov.in/doc/Budget_Speech.pdf</u>

increased from Rupees 30 thousand crore to Rupees 64 thousand crore.

With the vision to empower allied sectors, the implementation of Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be stepped up to enhance aquaculture productivity from existing 3 to 5 tons per hectare, double exports to Rs. 1 lakh crore and generate 55 lakh employment opportunities in the near future. Also, five integrated aquaparks will be set up.¹⁶

For the first time in the country, livestock farmers and fishermen have been given the benefit of a Kisan Credit Card. In the last decade, per capita milk availability has increased by 40 percent. The first free vaccination campaign is underway to protect animals from foot and mouth diseases. So far, more than 50 crore doses have been administered to animals in four phases.¹⁷

Future Endeavours

- Nano DAP: After the successful adoption of Nano Urea, the application of Nano DAP on various crops will be expanded in all agro-climatic zones.
- Atmanirbhar Oil Seeds Abhiyan: Building on the initiative announced in 2022, a strategy will be formulated to achieve 'atmanirbharta' for oil seeds such as mustard, groundnut, sesame, soybean, and sunflower. This will cover research for high-yielding varieties, widespread adoption of modern farming techniques, market linkages, procurement, value addition, and crop insurance.
- **Dairy Development:** A comprehensive programme for supporting dairy farmers will be formulated. Efforts are already on to control foot and mouth disease. India is the world's largest milk producer but with low productivity of milch animals. The programme will be built on the success of existing schemes such as Rashtriya Gokul Mission, National Livestock Mission, and Infrastructure Development Funds for dairy processing and animal husbandry.

While the agriculture sector has performed well consistently, continuous innovation in farming practices, crop variety improvements, and technology adoption are essential to meet the growing demands for diversified and nutritious food baskets. Further, policy consistency and continuity that expand market and production choices for farmers, which, at the same time, keep the larger environmental and ecological considerations and natural resources availability and demand in the

¹⁶ <u>https://www.indiabudget.gov.in/doc/Budget_Speech.pdf</u>

¹⁷ https://presidentofindia.nic.in/sites/default/files/2024-01/parliamentspeech.pdf

country, will be useful in encouraging farmers to adopt new technologies and practices.

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