

Agri experts under the banner of National Academy of Agricultural Sciences support the farm reforms

The National Academy of Agricultural Sciences and ICAR-National Institute of Agricultural Economics and Policy Research organized a brainstorming session to discuss and debate the pros and cons of recently introduced farm laws. The discussion was attended by Fellows of the Academy, agricultural scientists, agricultural economists, policy advisers, and representatives of farmers and industry. There was a general consensus that the three farm laws will contribute to raise farmers' income, minimize price volatility, reduce risk and promote demand-driven agricultural diversification. The long-awaited farm reforms are expected to improve market efficiency and benefit farmers as well as consumers. At present, agricultural produce markets are inefficient, unorganized and fragmented. The existing marketing arrangement is characterized as information asymmetry, lack of quality standards, and diseconomies of scale. There are very few states, especially Punjab and Haryana, where the APMC markets are well distributed but in majority of the states these are thinly spread with poor infrastructure facilities. Therefore, the farmers could not have access to markets and remunerative prices for their produce.

The present reforms aim to create competitive agriculture produce markets and provide more options to the farmers and connect them with the remunerative markets and agri-business. Besides these reforms, the government has also allocated Rs 1.5 lakh crores to develop market infrastructure, constitute 10,000 farmers' producer organizations and promote agricultural diversification. All the three laws are interconnected and need to be viewed from the perspective of attracting investment in agriculture and agri-infrastructure to improve market efficiency. It is envisioned that these reforms shall not only benefit farmers but also to the business sector and the consumers. Development of agri-business sector will increase investment in agriculture and generate huge employment opportunities in rural areas.

The process of reforms should be managed through information communication with the stakeholders, including farmers, establishing necessary mechanisms and facilities during the transition period, and out-scaling of success of the reforms. Present market structure of APMC should continue to work to provide more options to farmers and maintain competitiveness in the market. The diversity of markets is important because of nature of agricultural commodities, market segmentation, and delivery mechanisms. More focus should be given to strengthen agri-infrastructure and marketing of perishable commodities like fruits, vegetables, milk and fish, which constitute bulk of agricultural production and face tremendous market risk.

The government intervention through administered prices and procurement are unsustainable in view of the nature and size of agricultural production. However, these should continue to meet the needs of social safety net programs involving public distribution of food grains. At the same time, low price realization and income of the farmers call for a sustainable mechanism to ensure minimum farm income. Therefore,

there is a need for technology-and market-driven 'farm income policy' to benefit large number of small and marginal farmers.

There are several successful examples of contract farming, cooperatives, cluster farming and self-help groups in poultry, dairy, fruits & vegetables, and several niche commodities, such as basmati rice. Such models are working on the principle of mutual incentives and trust, and involve small farmers by providing improved technologies, inputs and ensuring assured prices and procurement. It is important to upscale the successful models by consolidating farmers for production and marketing. It is important to enhance capacity of farmers to start FPOs and enhance their skills for negotiating contract and dispute settlement. Therefore, there should be an agribusiness facilitation centre at Tehsil or district level to improve capacity of farmers and FPOs in agribusiness activities and help approach the dispute redressal mechanism. The option of multiple dispute redressal mechanism is a welcome decision of the government.

The Centre and the States have significant roles in development of agriculture and promotion of farmers' welfare. This has worked well in the past. These roles must be recognized and for a regular consultation, a National Agricultural Council under the chairmanship of the Prime Minister on the pattern of GST Council should be established. This Council should have representation of the states, experts, agribusiness sector, besides departments of the central government.

The participants strongly favored the new farm laws aiming to transform Indian agriculture and integrate with the global markets. The new farm laws are in continuation of various programs launched during the past few years to make agriculture inclusive, efficient, competitive, and sustainable.