

## **Overview of Entrepreneurial Environment with Special Reference to Agribusiness**

### **W1L2: Issues and Concerns of Indian Agriculture**

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Hello, friends. I hope in our previous discussion we managed to address some of the basic aspects of Indian agriculture. In today's class, we will be looking into the issues and concerns related to Indian agriculture.

There are many presumptions about Indian agriculture that are associated with farmers, and because of this, we tend to place the entire responsibility on primary producers. However, there seems to be a gap between the agricultural scientific community and the primary producers, the key stakeholders in agriculture. Today, we will try to understand how we can bridge this gap by discussing the issues and concerns associated with Indian agriculture.

The first concern we often hear is about education. People say that farmers lack education. But when we talk about education, are we referring to formal education, non-formal education, or informal education? Associated with this issue is the notion that farmers lack knowledge or awareness. These are common points of discussion regarding primary agricultural producers.

In my view, farmers do not lack education. In fact, they possess the highest form of informal education. They learn from nature, their own experiences, and the experiences of their family members—fathers, grandfathers, friends, and relatives—constantly adding to their knowledge. This is why we cannot say that farmers lack knowledge or awareness. While they may not be familiar with the latest innovations from research institutes, they are aware of most agricultural practices. Historically, farmers were the ones who domesticated crops. Out of billions of plant species, they selected over 200 varieties for human consumption in the form of cereals, pulses, vegetables, seeds, fruits, spices, and condiments. Our forefathers, who were also primary producers, recognized the importance of these crops in the human food system.

Therefore, we cannot say that farmers lack knowledge. What they may lack is access to the latest innovations from research institutes. But until and unless certain extension activities are carried out, how can farmers become aware of new developments? This is the first concern I would like to address.

The second concern is the lack of inputs. Farmers have sufficient resources, such as water, seeds, fertilizers, and manures, but the timely availability and quality of these inputs are the major concerns. It's not the inputs themselves that are lacking, but the timing and quality. For example, farmers have their own sources of seeds, but improved seed varieties may not always be readily available. The same goes for fertilizers and plant protection chemicals. There are various institutions, including universities, private companies, and farmers' organizations, that provide these inputs, but timely availability and quality control are still major issues.

We also have alternatives to chemical fertilizers and pesticides, such as green manuring, vermicomposting, and traditional pest control methods. Interestingly, traditional crop varieties often fetch higher prices in the market compared to hybrid varieties.

Credit availability is another concern. Farmers often need external support when purchasing improved seeds or fertilizers. While there are agencies and institutions making efforts in this direction, there is another critical input we often overlook: information. Farmers need quality, up-to-date, and relevant information. The demand for information varies from one district to another, or even from one corner of a state to another, depending on factors like soil, climate, and water availability. Therefore, institutions must provide farmers with information that is relevant to their specific needs.

Another issue is the lack of machinery. In previous classes, we discussed small and fragmented land holdings. In these small areas, the large machinery available in the market—tractors, tillers, combined harvesters—may not be suitable. The question is, have we made any efforts to customize these machines for small and marginal farmers? Financial assistance through loans and subsidies is available, but the challenge is in making the machinery appropriate for small land holdings.

Next, let's discuss market availability, storage facilities, and processing facilities. There's an interesting paradox: while the developed world (America, Europe, Russia, Australia) views India as a huge market, we say that Indian farmers lack market access. The market exists, but the challenge is in accessing it. The responsibility now lies in how primary producers can tap into this market.

Storage and processing facilities are another concern. There are government schemes that provide subsidies for building storage facilities, such as cold storage and warehouses, but these need to be implemented on a cooperative or community basis. Given the small size of most Indian farms, individual farmers may not be able to afford storage facilities.

Agriculture legislation is another important topic. While most of us are aware of the Land Ceiling Act, how many of us are familiar with legislation related to plant protection chemicals, seeds, fertilizers, or market regulations like the APMC Act? Awareness of these legislations can greatly help farmers access markets and ensure fair practices.

Another hot topic is the minimum support price (MSP). Many farmers are advocating for MSP. The government fixes MSP to maintain a reserve of food grains for emergencies and to support the public distribution system (PDS). However, not all produce can be sold to the government. Farmers should also explore the open market, where competition can help them earn better prices for their produce.

Looking at the export potential of Indian agriculture, studies show that before British colonization, India contributed nearly 40% to the global economy. After the British left, this figure dropped to 0.04%. The highest demand for Indian exports comes from products like marine goods, sugar, rice, and raw cotton.

There is also significant potential for foreign direct investment (FDI) in floriculture, horticulture, and animal husbandry. India's unique climatic conditions make it one of the few countries that can supply flowers and certain vegetables year-round, especially in the winter when the demand is high in Europe and North America.

In conclusion, there is a vast amount of opportunity for farmers and other stakeholders in Indian agriculture. Information demand must be met, stakeholders must collaborate, and we must work together to bridge the gap between primary producers and scientific communities. By forming cooperatives or joining producer groups, farmers can take advantage of these opportunities.

With this, we will conclude today's discussion. In the next class, we will continue with more innovative topics.

Thank you.