

## DOUBLING FARMERS INCOME: CHALLENGES, SCHEMES TO ACHIEVE THE GOAL AND OPPORTUNITIES

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### ABSTRACT

More than half of India's population depends on agriculture for their living. To increase output and guarantee food security, the agriculture industry is continuously refining its processes. There is a serious threat to farmers' livelihood and sustainability because they deal with risky and uncertain situations on their farms almost every day, which makes them more stressed about the profession's continued survival. On this basis, the Indian government declared that farmer income would double by 2022. As a result, the Indian government established a committee in 2016 to assess current issues and make recommendations for workable solutions in order to fulfil the goal of "Doubling Farmers' Income by 2022.". Even with the Indian government's enormous efforts, there are still certain obstacles in the agriculture sector. Farmers can increase their income by double by increasing total production, optimizing market prices, cutting production costs, diversifying their products, managing their crops well after harvest, etc. In order to achieve the goal of doubling farmers' income, the paper aims to analyze the current situation of farmers in our nation and to look at the schemes and opportunities that present challenges.

**Keywords:** farming Income, Farming Challenges, Opportunities

### 1. INTRODUCTION:

The difficult task of doubling farmers' incomes across the country has been announced by the government in an effort to boost India's agricultural sector and ensure sustained national growth. This ambitious project aims to improve the standard of living of millions of farmers, who make up India's agrarian economy. Back in 2016, India's Prime Minister expressed his vision to increase farmers' incomes by twofold by the time India reaches 75 years of Independence and enters the Amrit Kaal era. As we are now in 2023, it is an opportune moment to reassess this goal and determine if it has been achieved, and if not, explore strategies to make it a reality. According to the Periodic Labour Force Survey, agriculture will employ 45.5% of the workforce in 2021–22. Therefore, even if it was only in a dream, concentrating on agriculture is the right strategy for ensuring that the economy as a whole will grow rapidly over the long term. In countries like India, where agriculture accounts for a significant portion of the economy and provides millions of people with a significant means of subsistence, doubling farmers' incomes is a crucial objective in agricultural production. To realize this ambitious goal, it is necessary to address a number of obstacles, implement efficient plans, and take advantage of opportunities to sustainably raise farmers' incomes. Additionally, agriculture must provide food and nutritional security to the world's largest population. However, in order for this objective to be achieved in the current setting, the government must develop policies that also safeguard the planet's essential resources, including biodiversity, water, soil, and air. Keeping this in mind, the Ministry of Agriculture and Farmers Welfare will receive approximately Rs 1.25 lakh crore in the Union Budget 2023-2024.

**2. OBJECTIVES:** The present study aims to achieve the following objectives:

1. In order to double the income, it is necessary to analyse the past and current income structure of Indian farmers.
2. To research the opportunities, strategies, and obstacles in the way of the farmers' goal of double their income.

**3. LITERATURE REVIEW:**

State-by-state farmers' income has been calculated and published annually by the Department of Agriculture under the Ministry of Agriculture and Farmers Welfare in collaboration with the NSSO, Commission for Agricultural Costs and Prices (CACP), National Institute of Agriculture Economics and Policy Research, and NITI Aayog. It is hoped that states will compete with one another to meet the goal of doubling farmers' income by 2022 if the data can be made public on a regular basis. There aren't many estimates of farmers' incomes based on research. The majority of studies have utilized trade data between agriculture and other related or dependent industries due to the lack of data on farm income.

While some studies found favourable terms of trade, others found the same for the agricultural industry. Another data source utilized by numerous academics to comprehend the development of farm income trends is the cost of cultivation survey (CCS), which is published by the Commission for Agricultural Costs and Prices (CACP).

For instance, Sen and Bhatia (2004) came to the conclusion that the farm business income per farmer was minuscule and insufficient to pay for even the most basic necessities with the assistance of CCS data from 1981-1982 to 1999-2000.

According to Chand et al. (2015), livestock industry earnings should also be included in farm income. In a broader sense, their perspective is probably correct.

According to Dholakia et al., any crop grown in an irrigated region is more productive than one grown in an unirrigated or less irrigated region. Prof. According to RBI Chair and Director of the Centre for Research in Rural and Industrial Development, Satish Verma, India's remarkable agricultural prowess is exemplified by the country's transformation from facing severe food shortages to becoming a net exporter of food. Verma expressed that the farming and allied areas currently draw in the biggest portion of the labour force, comprising 45.5 percent according to the Occasional Workforce Overview in 2021-22, and contribute almost 15% to India's Gross domestic product.

**4. METHODOLOGY:**

The research is primarily exploratory. The data came from books, journals, websites, reports from government agencies, newspaper articles, and other secondary sources. There are three parts to the current study. The authors have discussed the country's structure of farmers' income and the factors that have contributed to its growth in the first section. However, the difficulties in achieving the objective of doubling farmers' incomes are identified in the second section. Lastly in the third part the creator has featured the possibilities of the projects. The data have been analysed and presented using simple percentages, tables, and graphs.

**4.1 Trends in the income of farmers in the past:** In the past, India's agriculture sector primarily focused on boosting food security and increasing agricultural output. From 1965 to 2015, the Indian agriculture sector successfully increased food production by 3.7 times while simultaneously increasing population by 2.55 times (Chand, 2017). According to the findings of the NABARD

financial inclusion survey conducted from 2016 to 2017, despite the fact that farmers' average monthly income increased from 6,426 yen (from 2012 to 2013) to 8,931 yen (from 2015 to 2016), this income was still significantly below not only the fixed minimum wages that are paid to unskilled workers in the agro-sector but also less than 20 percent of the country's average per capita income. 61 million of the 90 million farm households have less than one hectare of agricultural land and have a net negative monthly budget, which is an additional troubling statistic. High debt, frequent crop failures, unfavourable terms of trade, erratic and uncertain market returns for produce, a supply of substandard and fraudulent inputs, and the resulting crop losses all contributed to these outcomes. We cannot maintain a high rate of GDP growth unless farmers' incomes rise.

**4.2 Trends in the income of farmers in the past:** In the past, India's agriculture sector primarily focused on boosting food security and increasing agricultural output. From 1965 to 2015, the Indian agriculture sector successfully increased food production by 3.7 times while simultaneously increasing population by 2.55 times (Chand, 2017). According to the findings of the NABARD financial inclusion survey conducted from 2016 to 2017, despite the fact that farmers' average monthly income increased from 6,426 yen (from 2012 to 2013) to 8,931 yen (from 2015 to 2016), this income was still significantly below not only the fixed minimum wages that are paid to unskilled workers in the agro-sector but also less than 20 percent of the country's average per capita income. 61 million of the 90 million farm households have less than one hectare of agricultural land and have a net negative monthly budget, which is an additional troubling statistic. High debt, frequent crop failures, unfavourable terms of trade, erratic and uncertain market returns for produce, a supply of substandard and fraudulent inputs, and the resulting crop losses all contributed to these outcomes. We cannot sustain a high rate of GDP growth unless farmers' incomes rise. The current situation: Farmers are at the heart of India's economy, and improving their standard of living is a first step toward the country's holistic development. Rural household poverty and other economic, social, and sustainability indicators are seriously impacted by a decline in productivity and income. As a result, increasing farmers' incomes from a variety of sources across holding sizes and regions has become a top priority for policymakers. The state governments of India support agriculture, and they are accountable for its development by implementing these programs and schemes. The Ministry of Agriculture and Farmers Welfare (Minister of Agriculture and Farmers Welfare 2020) implemented a number of initiatives for the welfare of farmers in 2020 in light of the rise in crop productivity, remunerative returns, and income support. The government has supported a variety of development programs, schemes, reforms, and policies as a result of the initiative, including increased budgetary allocation, corpus fund creation through non-budgetary financial resources, and additional income transfer under the PM-KISAN scheme.

The history of India's agricultural reforms since independence. The government recently announced three farm laws for the year 2020 in order to legislate agricultural reforms. "The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act 2020," "The Farmers (empowerment and protection) Agreement in rice Assurance and Farm Services Act 2020," and "The essential Commodities (Amendment) Act 2020" (Dec. 2020) were the names of these three farm bills. According to Ashrit 2021, the aforementioned three laws have a significant potential to attract investments and the growth of entrepreneurship among young, educated individuals with innovative intellectual abilities. The primary means by which farmers' incomes can be raised include stabilizing the income, cutting costs, and increasing gross income. Table depicts potential paths to achieving these goals.

Farmers can increase their income through three main channels, for example. boosting gross revenue while lowering expenses and maintaining revenue stability. Table provides a list of potential paths to accomplish these goals.

What policies, reforms, and programs can be implemented to double farmers' income?

An Agriculture specialist and economic experts suggested ways to double farmers' income. These seven sources of income growth were determined by the Committee: -

1. A rise in crop yields.
2. A rise in the productivity of cattle.
3. Reduction in production costs due to efficient resource use
4. A rise in the intensity of cropping.
5. High-value agriculture diversification.
6. Fair prices for the produce that farmers grow.
7. Transfer of excess labor from farming to non-farming industries.

The following fundamental tenets serve as the foundation for the strategy to double farmers' income:

1. Achieving higher productivity in all agricultural sub-sectors, resulting in an increase in total output
2. Rationalizing and lowering production costs
3. Ensuring that agricultural products are sold at fair prices
4. Effective risk control
5. Adoption of environmentally friendly methods.

#### **4.3 Initiatives by the government to double farmers' incomes:**

1. The PM KISAN program is another name for the Pradhan Mantri Kisan Samman Nidhi Yojana. This is the first program that provides a universal basic income to many small and marginal farmers. The Ministry of Agriculture and Farmers' Welfare is implementing the scheme, which receives funding entirely from the Central Government of India. In 2019, PM-KISAN, an income support program that distributes Rs. 6000 annually in three equal instalments, will go live. greater than Rs. To date, more than 11 million farmers have received 2.24 lakh crore.
2. The Pradhan Mantri Krishi Sinchai Yojana, the Soil Health Card, and the Prampragat Krishi Vikas Yojana are all intended to increase output while lowering costs. In order to promote organic farming in the country, the Paramparagat Krishi Vikas Yojana (PKVY) was launched in 2015–2016. Since then, 32,384 clusters have been established, covering an area of 6.53 lakh hectares, which has benefited 16.19 lakh farmers. In addition, the Namami Gange Program covered 1.23 million hectares, while natural farming covered 4.09 million hectares. Organic farming has been adopted by farmers on both sides of the Ganga in Uttar Pradesh, Uttarakhand, Bihar, and Jharkhand to control river water pollution and generate additional income for farmers. The government also wants to use the program Bhartiya Prakratik Krishi Padhati (BPKP) to help natural farming systems that are sustainable. The proposed plan aims to reduce cultivation costs, increase farmer income, conserve resources, and guarantee safe and healthy soils, the environment, and food.
3. The Pradhan Mantri Fasal Bima Yojana (PMFBY) encourages investment in farming and provides crop and income loss insurance. Six-year PMFBY was launched in 2016 to address issues with farmers' high premium rates and reduced sum insured as a result of capping. Over the course of the program's first six years, 37.66 million farmer applications have been submitted, and more than 12.38 million (provisional) farmer applicants have received claims. Farmers paid nearly Rs. 25,174 crores as their share of the premium during this time, and they

have received claims totalling over Rs. 1,30,185 crores (Provisional). Thus, farmers have received approximately Rs. 517 in claims for every 100 rupees paid in premium.

4. The price volatility of perishable goods like tomatoes, onions, and potatoes is the focus of Operation Greens.
5. The PM Kisan Sampada Yojana promotes holistic food preparation.
6. The prevailing Agricultural Produce Market Committees Mandis for making a united national market for agricultural commodities are netted by the e-NAM, a pan-India electronic trading portal.
7. Farmers are insured against a steep decline in the prices of their goods by using minimum support prices.
  - a. The Government has increased the MSP for all mandated Kharif, Rabi and other commercial crops with a return of at least 50 per cent over the all India weighted average cost of production.
  - b. The minimum support price for Paddy (common) has increased to Rs. 2040 per quintal in 2022-23, up from Rs. 1310 per quintal in 2013-14.
  - c. In 2013-14, the MSP for wheat increased from Rs. 1400 to Rs. 2125 per quintal.
8. All mandated Kharif, Rabi and other commercial crops with a return of at least 50% over the total India weighted average cost of production from 2018-19 have seen an increase in the Minimum Support Price.
9. Farmer Producer Organizations involve gathering producers, especially small and marginal farmers, to form an effective alliance to collectively address many challenges of agriculture, such as better access to investments, technology, inputs, and markets. Farmer Producer Organization (FPO) is a type of producer organization with members who are farmers.
10. The institutional credit for the agriculture sector has increased from Rs. 8.5 lakh crore in 2015-16 with a target to reach Rs. 18.5 lakh crore in 2023-24.
11. The concessional institutional credit through KCC at 4% annual interest has now been extended to livestock and fisheries farmers for meeting their short-term working capital requirements.
12. Since February 2020, a special drive has been conducted to provide concessional institutional credit with a focus on covering all PM-KISAN beneficiaries through Kisan Credit Cards.
13. Promotion of sustainable agriculture in the country. The Paramparagat Krishi Vikas Yojana (PKVY) was launched in 2015-16 to promote sustainable agriculture in the country. Through the scheme Bhartiya Prakratik Krishi Padhati, the government proposes to promote sustainable natural farming systems. The proposed plan aims to lower the cost of cultivation, boost the income of farmers, and ensure the preservation of natural resources and safe and healthy conditions for plants, the environment, and food.

14. The scheme was launched in the year 2015-16 to increase water use efficiency, reduce cost of inputs and increase productivity at the farm level through micro irrigation technologies i.e., drip and sprinkler irrigation systems.
15. The Agri Infrastructure Fund has sanctioned an amount of Rs.13681 crore worth of agriculture infrastructure in the country for more than 18133 projects since its inception in 2020. Several agricultural infrastructures were built with the help of the scheme, and some of them are nearing completion.
16. The creation of various start-up ecosystems in agriculture and allied sectors. During FY 2019-20 to 2022-23, 1102 start-ups have been selected by various knowledge partners and agribusiness incubators of DA&FW. A total of Rs. 66.83 crore has been released for funding to these start-ups to the respective Knowledge Partners and RKVY RAFTAAR Agri Business Incubator as grants-in-aid support by DA&FW.
17. Achievements in the export of agricultural and related commodities. The country has seen an emphatic growth in export of agricultural and allied commodities. In comparison to previous year 2020-21, the Agri and allied export has increased from 41.86 billion USD in 2020-21 to 50.24 billion USD in 2021-22, an increase of 19.99%

The government's efforts to positively implement these programmes have increased farmer income in a way that has produced impressive outcomes. The Indian Council of Agricultural Research (ICAR) has published a book as part of the "Azadi ka Amrit Mahotsav" that compiles the success stories of 75,000 farmers—out of the countless successful farmers—who have more than doubled their income.

During the last three fiscal years, 2019–20, 2020–21, and 2021–22, the Department of Agriculture and Farmers Welfare turned over a total of Rs. 63,494.84 crore for the following reasons:

- (i) As a result of leftover funds from prior releases, mostly from Goa, Tamil Nadu, Bihar, Kerala, Uttar Pradesh, etc., with the States and Implementing Agencies.
- (ii) States were unable to provide various compliance statements and there were unspent balances in State treasuries as a result of the delay in adhering to the Department of Expenditure's requirements for the new procedure of fund distribution. Many states' single nodal account (SNA) mappings on the PFMS portal were also lacking, and the states and UTs had failed to provide numerous checklists, undertakings, etc. As a result, numerous States and UTs did not get the funding.
- (iii) The North Eastern States' limited capacity, saturation in

**Way Ahead:** The primary causes of agricultural issues are farmers' low wages and yearly up and downs.

Improving farmer welfare and agricultural revenues are critical if we want agriculture to be sustained and the lives of half of India's people is to be improved.

To accomplish the goal of doubling farmers' earnings, states and union territories must be mobilised. Additionally, proactive attention must be paid to farmers' capacity building, which

includes technology adoption and awareness about quality seeds and fertilizers as this will serve as a catalyst for raising farmers' incomes.

India must intervene based on the comparative advantages of each region and its unique agro-climatic characteristics, including research, technology expansion, and post-harvest management, processing, and marketing. This is because the country is diversified and the majority of its agriculture is dependent on the monsoons.

Issues identified where policy intervention is required:

- Education & Skilling
- Direct Access to Consumers
- Fair Prices & Subsidies
- Storage and Warehousing.

## **5. SUGESTIONS:**

- Increase income by improving output per unit of input.
- Support Diversification of farm income and other income generating activities.
- Bring changes in agricultural marketing activities.
- Strengthen the physical and institutional infrastructure.
- Encourage broader access to credit: Small and marginal farmers should be the primary focus of credit that is easily accessible, tailored to meet individual needs, and sufficient.
- Quick and timely relief in the event of natural disasters.
- Reduce expenses for small and marginal farmers by consolidating land holdings under the leadership of FPOs. sharing of resources like market access for fertilizers, irrigation seeds, and bargaining power, as well as mechanized farm equipment.
- Organize and synchronize different policy and program initiatives.

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