AGRICULTURE AND FOOD MANAGEMENT

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PALLAVI
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
PATNA WOMEN'S COLLEGE

INTRODUCTION

- Agriculture has been the most important sector of the Indian economy, both in the pre-independence and the post-independence periods.
- Large number of people depend on it for their livelihood.
- Contributes to 17.4% of GDP
- Biggest unorganised sector of the economy

PHASES OF FOOD DEVELOPMENT IN INDIA

1. THE FIRST PHASE - physical access to food
2. THE SECOND PHASE - economic access to food
3. THE THIRD PHASE - ecological access to food

GREEN REVOLUTION

- Introduction of new techniques of agriculture, which became popular in early 1960s
- First used for wheat and by the next decade for rice,
- Revolutionised the traditional idea of food production by giving a boost by more than 250 per cent to the productivity level.
- Centred around the use of the **High Yielding Variety (HYV)** of seeds developed by the US agro-scientist **Norman Borlaug** .

COMPONENTS OF GREEN REVOLUTION

1. The HYV seeds
2. The Chemical Fertilizers
3. The Irrigation
4. Chemical Pesticides and Germicides
5. Chemical Herbicides and Weedicides
6. Credit, Storage, Marketing/Distribution

FOOD MANAGEMENT

- Managing enough food in the domestic market has been the prime focus of the Government since Independence.
- Meeting the physical target of food together with the challenge of enabling Indians to procure food for their consumption was also there.
- Over the year, we see the government devising various ways and means to handle the twin challenges.
- Once, the country joined the WTO, a new need was felt for producing surplus and competing with the world, so that the benefits of globalisation could also be reaped by the agriculture sector.

MINIMUM SUPPORT PRICE (MSP)

- It is a form of **market intervention** by the Government of India to insure agricultural producers against any sharp fall in farm prices.
- The MSPs are announced at the **beginning of the sowing season** for certain crops on the basis of the recommendations of the **Commission for Agricultural Costs and Prices (CACP, 1985).**
- The major objectives are to support the farmers from **distress sales** and to procure food grains for public distribution.
- In case the market price for the commodity falls below the announced minimum price due to bumper production and glut in the market, government agencies purchase the entire quantity offered by the farmers at the announced minimum price.

FARM SUBSIDIES

1. **DIRECT FARM SUBSIDIES:** subsidies in which direct cash incentives are paid to the farmers in order to make their products more competitive in the global markets. The developed countries (USA and Europe) spend huge amounts of their annual budgets on the agriculture, farm and fisheries subsidies. Direct farm subsidies are helpful as they provide the right levels of purchasing power to the farmer and can significantly help in raising the standards of living of the rural poor.
2. **INDIRECT FARM SUBSIDIES:** These are the farm subsidies which are provided in the form of cheaper credit facilities, farm loan waivers, reduction in irrigation and electricity bills, fertilizers, seeds and pesticides subsidy as well as the investments in agricultural research, environmental assistance, farmer training, etc. These subsidies are also provided to make farm products more competitive in the global market.

WTO AND AGRICULTURAL SUBSIDIES

The agricultural subsidies, in the WTO (WORLD TRADE ORGANIZATION) terminology have in general been identified by ‘boxes’ which have been given the colours of the traffic lights—green (means permitted), amber (means slow down, i.e., to be reduced) and red (means forbidden).

AMBER BOX

- All subsidies which are supposed to distort production and trade fall into the amber box,
- i.e., all agricultural subsidies except those which fall into the blue and green boxes.
- These include government policies of minimum support prices (as MSP in India) for agricultural products or any help directly related to production quantities (as power, fertilizers, pesticides, irrigation, etc).
- Under the WTO provisions, these subsidies are subject to reduction commitment to their minimum level—to 5 per cent and 10 per cent for the developed and the developing countries, respectively, of their total value of agricultural outputs, per annum accordingly.

BLUE BOX

- This is the amber box with conditions.
- The conditions are designed to reduce distortions.
- Any subsidy that would normally be in the amber box, is placed in the blue box if it requires farmers to go for a certain production level.
- These subsidies are nothing but certain direct payments (i.e., direct set-aside payments) made to farmers by the government in the form of assistance programmes to encourage agriculture, rural development, etc.

GREEN BOX

- The agricultural subsidies which cause minimal or no distortions to trade are put under the green box.
- This box basically includes all forms of government expenses, which are not targeted at a particular product, and all direct income support programmes to farmers, which are not related to current levels of production or prices.
- This is a very wide box and includes all government subsidies like—public storage for food security, pest and disease control, research and extension, and some direct payments to farmers that do not stimulate production like restructuring of agriculture, environmental protection, regional development, crop and income insurance, etc.
- The green box subsidies are allowed without limits provided they comply with the policy specific criteria.

AREAS WHERE TECHNOLOGY CAN BE USED IN AGRICULTURE

1. Seed development
2. Farm mechanization
3. Irrigation
4. Pesticides
5. Fertilisers
6. Supply chain management
7. Farm waste management
8. Agri credit
9. Climate smart agriculture
10. Agriculture extension services

THANK YOU