

AGRICULTURAL POLICY- 2000

- Agricultural policy of a country is mostly designed by the Government for raising agricultural production and productivity and also for raising the level of income and standard of living of farmers within a definite time frame. This policy is formulated for all round and comprehensive development of the agricultural sector.
- In India, the main objectives of agricultural policy are to remove the major problems of agricultural sector related to improper and inefficient uses of natural resources, predominance of low-value agriculture, poor cost-benefit ratio of the sectoral activities and insignificant progress of co-operative farming and other self-help institutions.
- **Over all Main Objectives:**

The following are some of the important objectives of India's agricultural policy:

(i) Raising the Productivity of Inputs:

One of the important objectives of India's agricultural policy is to improve the productivity of inputs so purchased viz., HYV seeds, fertilizers, pesticides, irrigation projects etc

(ii) Raising Value-Added per Hectare:

Another important objective of country's agricultural policy is to increase per hectare value-added rather than raising physical output by raising the productivity of agriculture in general and productivity of small and marginal holdings in particular

(iii) Protecting the Interest of Poor Farmers:

One of the important objectives of agricultural policy is to protect the interest of poor and marginal farmers by abolishing intermediaries through land reforms expanding institutional credit support to poor farmers etc.

(iv) Modernizing Agricultural Sector:

Modernizing agricultural sector is another important objective of agricultural policy of the country. Here the policy support includes introduction of modern technology in agricultural operations and application of improved agricultural inputs like HYV seeds, fertilizers etc.

(v) Checking Environmental Degradation:

Agricultural policy of India has set another objective to check environmental degradation of natural base of Indian agriculture.

(vi) Agricultural Research and Training:

Another important objective of Indian agricultural policy is to promote agricultural research and training facilities and to percolate the fruits of such research among the farmers by establishing a close linkage between research institutions and farmers.

(vii) Removing Bureaucratic Obstacles:

The policy has set another objective to remove bureaucratic obstacles on the farmers, Co-operative societies and self-help institutions so that they can work independently.

National Agricultural Policy Document, 2000:

- On 28th July, 2000, the NDA Government made public a National Agriculture Policy envisaging over 4 per cent annual growth through efficient use of resources and technology and increased private investment while emphasizing on price protection to farmers in the WTO regime.
- The policy aimed at catapulting agricultural growth to over 4 per cent per annum by 2005. This growth is to be achieved through a combination of measures including structural, institutional, agronomic, environmental, economical and tax reforms.
- The policy formulation has been necessitated due to the relatively poor growth of agriculture experienced during the 1990s. The Policy Document observed, “Capital inadequacy, lack of infrastructural support and demand side constraints such as controls on movement, storage and sale of agricultural products etc. have continued to affect the economic activity of agricultural sector. Consequently, growth has also tended to slacken during the 1990s”.
- As the agricultural sector ensures the food security and nutrition to this huge size of population of India and also supplies huge quantity of raw materials for expanding industrial base along with creating surplus for exports thus a fast and equitable reward system for the farming community along with attaining faster growth rate of the sector should be the important components of agricultural reforms.
- ***Thus, the National Agricultural Policy (2000) has taken the following important objectives:***
 1. Attaining a growth rate above 4.0 per cent per annum in the agricultural sector;
 2. Attaining a growth which is based on efficient use of resources and also makes provision for conservation of our soil, water and bio-diversity;
 3. Attainment of growth with equity, i.e., attaining a growth whose impact would be widespread across regions and different classes of farmers;
 4. Attaining a growth that is demand-driven and cater to the need of domestic markets and ensuring maximization of benefit from exports of agricultural products in the face of challenges from economic liberalization and globalization;

5. Attaining a growth that is sustainable technologically, environmentally and economically.
 - The new policy seeks to introduce economically viable, technically sound, environmentally non-degrading and non-hazardous and socially acceptable use of natural resources of the country for promoting the concept of sustainable agriculture.
 - In order to fulfil this strategy, the following measures are suggested in the new policy:
 1. To use unutilized barren wastelands for agriculture and afforestation.
 2. To contain biotic pressures on land and to control indiscriminate division of agricultural lands for non-agricultural uses.
 3. To enhance cropping intensity through multi-cropping and inter-cropping.
 4. To emphasize rational use of ground and surface water so that over-exploitation of ground water resources can be checked. To adopt better technologies such as drip and sprinkler irrigation system so as to arrange more economic and efficient use of water.
 5. To adopt vigorously a long-term perspective plan for sustainable rain-fed agriculture by adopting watershed approach and water harvesting method for development of two-thirds of cropped area of the country which is dependent on rainfall.
 6. Involvement of farmers and landless labourers will be sought in the development of pastures/ forestry programmes on huge public wasteland by providing adequate financial incentives and entitlement of trees and pastures.

Food and Nutritional Security:

- In order to meet the growing pressure of population growth and to provide food and nutritional security to such a large population, special efforts will be made for raising the productivity and production of crops and thereby to meet the requirement of raw materials of expanding agro-based industries. Special stress will be made for the development of new crop varieties, especially food crops, with higher nutritional value.
- The policy has paid due emphasis for the development of rain-fed irrigation, horticulture, floriculture, roots and tubers plantation crops, aromatic and medicinal plants, bee-keeping and sericulture for augmenting food supply and boosting exports along with generation of employment in rural areas.
- High priority has also been given on the development of animal husbandry, dairy, poultry and aquaculture so as to diversify agriculture, increasing animal protein availability in food basket and also for generating exportable surpluses.

- The policy also encouraged the cultivation of fodder crops and fodder trees so as to meet the growing need for feed and fodder requirements. The policy has encouraged the involvement of co-operatives and the private sector for the promotion and development of animal husbandry, dairy and poultry farming.

Development and Transfer of Technology:

- The policy suggested that the Government should encourage application of biotechnology, remote sensing technologies, energy saving technologies, pre- and post-harvest technologies, and technology for environmental protection. Moreover, the Government will make a fresh attempt to move towards a regime financial sustainability of extension services in a pleased manner. The Government will also undertake special measures for empowering women and also to build their capabilities for improving their access to inputs, technology process and other farming resources.

Incentives and Investment in Agriculture:

- The policy suggested that the Government should make adequate efforts for improving the terms of trade for agriculture along with associated manufacturing sector. Accordingly, attempts will be made to review and rationalize the structure of taxes on food grains, other commercial crops and also excise duty on farm machinery and implements. The Government has committed to keep agriculture outside purview of taxes and decided to continue the present regime of agricultural subsidies.
- The, new policy statement accepted the problem of fall in public sector investment in agricultural sector and decided to step up public investment for narrowing regional imbalances and also for accelerating development of supportive infrastructure.
- In addition to this, private sector investment in agriculture will be encouraged in some sophisticated areas like agricultural research, post-harvest management, marketing and human resource development. Moreover, attempts would be made for setting up agro-processing units in collaboration between the producer co-operatives and the corporate sector.

Policy on Institutional Structure:

- The policy gave due emphasis for reforming the Institutional structure where the approach on rural development and land reforms will give stress on the following issues:
 1. Consolidation of holdings throughout the country following the pattern of north western states.

2. Steps for redistribution of ceiling surplus lands and waste-lands among the landless farmers and unemployed persons.
3. Adopting tenancy reforms for recognizing the rights of tenants and sharecroppers.
4. Promotion and development of lease markets for raising the size of holdings by making legal provisions so as to give private land on lease for cultivation and agro-business purposes.
5. Recognizing the rights of women on land.
6. Making provision for updating and improvement of land records through computerization and also by issuing land pass books to all the farmers.
7. The policy has made arrangement for promotion through contract farming and land leasing arrangements for allowing accelerated technology transfer, capital inflow and assured marketing arrangements for some crops, especially of oilseeds, cotton and horticultural crops.

The main features of the National Agricultural Policy are:

1. Privatisation of agriculture and price protection of farmers in the post QR (Quantitative Restrictions) regime would be part of the government's strategy to synergise agricultural growth.
2. Private sector participation would be promoted through contract farming and land leasing arrangements to allow accelerated technology transfer, capital inflow, assured markets for crop production especially of oilseeds, cotton and horticultural crops.
3. The policy envisages evolving a 'National Livestock Breeding Strategy' to meet the requirement of milk, meat, egg and livestock products and to enhance the role of draught animals as a source of energy for farming operations.
4. High priority would be accorded to evolve new location-specific and economically viable improved varieties of farm and horticulture crops, livestock species and aquaculture.
5. The restrictions on the movement of agricultural commodities throughout the country would be progressively dismantled. The structure of taxes on food grains and other commercial crops would be reviewed.
6. The excise duty on materials such as farm machinery and implements and fertilizers used as inputs in agricultural production, post-harvest stage and processing would be reviewed.

7. Rural electrification would be given high priority as a prime mover for agricultural development.
8. The use of new and renewable sources of energy for irrigation and other agricultural purposes would be encouraged.
9. Progressive institutionalisation of rural and farm credit would be continued for providing timely and adequate credit to farmers.
10. Endeavour would be made to provide a package insurance policy for the farmers, right from sowing of crops to post-harvest operations including market fluctuations in the prices of agricultural produce.

Appraisal of the New Agricultural Policy:

The New Agricultural Policy (2000) has been considered as a balanced one considering the present requirement. The new policy has adopted a co-ordinated approach for bringing Green Revolution, White Revolution (related to milk and dairy products) and Blue Revolution (related to aqua/fish culture). Therefore, the policy has been termed as a policy of promising Rainbow Revolution.

1. Considering the growing requirement of food for attaining food self-sufficiency and to attain food security for the millions of people of the country the policy has faced a great challenge. To fulfil this requirement attainment of 4 per cent growth rate in agricultural output is a must. But the New Policy has not spelt out any such target in quantitative terms.
2. The New Policy has also failed to identify those backward states which are still lagging in utilizing their agricultural potential. Therefore, a balanced approach should be undertaken to remedy these loopholes.
3. The New Policy argued in favour of encouraging private investment in agriculture which would help the big farmers, but the large numbers of small farmers are not going to be supported by such private investment which needs to be promoted by public investment.
4. The New Policy argued in favour of private sector participation through contract farming by land leasing arrangements. But introduction of such a step in a labour-surplus economy is highly questionable.
5. Lastly, there is a lack of co-ordination between the Central and State Governments in implementing various promotional steps for the development of agricultural sector. Thus, the centre and the states should co-ordinate in implementing various provisions

of new policy and should develop a monitoring mechanism to evaluate the implementation of the policy in a most rational manner.