

## **Agriculture in India :**

### **An Assessment and Policy Imperatives**

At the time of Independence, agriculture contributed to more than 50 per cent of India's gross domestic product (GDP). Today, it accounts for less than one-fourth of GDP. Experience from elsewhere in the world shows that this pattern is not uncommon. When a developing country matures and evolves in terms of economic development, the share of agriculture in GDP does tend to decline. What makes the Indian case uncommon is on account of two factors: First, the agricultural productivity has distinctly decelerated in the recent period. Indeed, there it is widely believed that the reform process in India initiated in 1991 has, by and large, bypassed the agriculture sector. Secondly, the proportion of population dependent on agricultural income has remained virtually unchanged at exceptionally high level of around 60 per cent. This is certainly a cause for concern since the paucity of gainful employment opportunities has, arguably, been disturbing the social cohesion – manifest at times in terms of increased occurrence of suicides by farmers.

Against this backdrop, this paper aims at highlighting and articulating a host of major issues and suggesting some policy prescriptions. Section I enumerates major issues that continue to constrain the growth of Indian agriculture. Section II recounts the policy intentions relating to agriculture encapsulated in the recently announced, Common Minimum Program (CMP). In the light of the assessment of the situation in agriculture and the CMP, the following two sections, Section III and Section IV offer some policy prescriptions – both for immediate future as well as for medium-term consideration.

## **I. Indian Agriculture: Issues and Prospects**

While there are a number of factors responsible for the present state of agriculture in India, the following seven issues merit attention on priority:

- (i) Declining productivity and increased variability in agricultural production;
- (ii) Decline in capital formation;
- (iii) Inadequate credit delivery;
- (iv) Sub-optimal use of inputs and technology;
- (v) Distortionary pricing and subsidies;
- (vi) Untapped export potential;
- (vii) Inadequate employment generation.

These are discussed below, in that order.

### **1. Declining Productivity and Increased Variability**

Indian agricultural production, of late, has been characterised by sharp variations due to unpredictable nature of monsoon. For instance, foodgrains production in the country varied between 174.19 million tonnes in 2002-03 (the lowest in the last 12 years) and 212.20 million tonnes in 2003-04, (the peak production attained so far). Similar variations can be observed in the production of non-foodgrains as well. Oilseeds production in 2002-03 stood at 15.06 million tonnes, the lowest after 1987-88; this increased subsequently to 24.98 million tonnes in the next year which was the highest oilseeds production the country witnessed so far. It turns out that the variability of agricultural production in the 1980s was as much as five times the average variability recorded in the overall GDP during 1992-93 to 2002-03.

Such wide variations in agricultural production underline the rain dependence of the Indian agriculture, thereby underscoring the need for improving the irrigation facilities. In 1998-99 only 39.2 per cent of the gross cropped area in the country was under irrigation. Moreover, the irrigation coverage across various crops and states remains highly skewed.

The high degree of variability in production also stems from the problem of declining yields for few crops. The yields of agricultural products reveal an unstable trend in recent years. The yield of foodgrains, which showed significant gains from 710 kg/ha in 1960-61 to 1704 kg/ha in 1999-2000, has stagnated in the recent past largely on account of rice and wheat. The yields of pulses have been low during the entire period since the 1960s. In the case of commercial crops, the yields of oilseeds improved significantly during the 1980s and 1990s, but fluctuated sharply during the recent period. Sugarcane yields improved during the four decades since the 1960s, but have been declining steadily during the last few years. Yield of cotton crop, which declined during the 1960s and increased during the 1980s and 1990s have stagnated since then between 190 kg/ha and 265 kg/ha.

## **2. Decline in Capital Formation**

During the 1990s, a steady downturn in investment rates was experienced by the agricultural sector, mainly in public investment. The ratio of public sector capital formation in agriculture to Gross Public Sector Capital Formation declined from 17.7 per cent in 1980-81 to only 4.1 per cent in 2000-01. At the same time, capital formation in agriculture as a ratio of GDP originating from agriculture also declined from 8.5 per cent in 1980-81 to 6.1 per cent in 2000-01. In this context it may be noted that around 90 per cent of public capital formation in agriculture is invested in major and medium irrigation facilities, while most of the private sector capital formation goes towards minor irrigation projects. With the declining trend

in public sector capital formation, the onus lies now on the private sector capital formation. Although the private sector capital formation in agriculture has been on the rise during the past decade, it has not been able to meet the shortfall on account of the corresponding decline in public investment. The inadequacy of new capital formation has slowed the pace and pattern of technological change in agriculture with adverse effects on productivity. To rejuvenate agricultural growth, the declining trend in public investment needs to be corrected.

### **3. Inadequate Credit Delivery**

*Lower deployment of credit in agriculture* : Despite a well developed credit delivery structure, the outreach of banks to the rural areas has remained restricted. In tune with the recommendations of the Narsimham Committee on banking reforms, after the expiry of the five-year branch expansion programme of 1990-95, the subject of opening rural branches was left to the commercial judgement of banks. Driven by profitability and prudential regulation considerations and concepts of para banking, the scheduled commercial banks seem to have preferred to limit the rural expansion and shifted their expansion focus to the urban areas instead. As a consequence, the banks' reach for the rural population suffered and stagnated. This has resulted in lower deployment of credit to agriculture. Although the ratio of agricultural credit to agricultural GDP has increased from 5.4 percent in 1970s to 8.7 per cent in 2001-02, it may be noted that agricultural credit as a proportion to total credit has declined from 20.5 per cent to 10.5 per cent during the same period indicating lower deployment of credit in agriculture. Moreover, the extent of credit deployed from out of deposits mobilised in rural areas has fallen rapidly as reflected in the Credit-Deposit ratio which declined from 65 per cent in mid-1980s to around 42 per cent now.

***Lower growth in Long-term Credit*** : It has been observed that short-term credit disbursements to agriculture have outpaced long-term credit disbursements. For instance, disbursements of direct short-term agricultural finance grew at a rate of 15.6 per cent during 1990-91 to 2000-01, whereas the long-term finance grew at a lower rate of 12.2 per cent during the same period. A major part of the priority sector lending norm in agriculture is now being met through short-term loans to agriculture, *i.e.*, Kisan Credit Cards.

The lower growth in long-term credit to agriculture is a matter of concern as it severely hampers capital formation in agriculture. The lower growth of long-term credit to agriculture also severely restricts the credit absorptive capacity of the rural population. The long-term credit is needed for capital formation, and therefore, increasing the productivity and incomes of the rural population, thereby raising their credit absorptive capabilities. Moreover, it is also needed for creation of rural agri-business infrastructure like warehouses, cold-storages, transportation facilities, *etc.*, for increasing business potential and better realisation of market prices by the farmers. In the absence of adequate long-term credit flow to agriculture in particular, and rural sector in general, the business potential and therefore, the credit absorptive capacity of rural population is severely hampered.

***Decline in credit to small borrowers*** : Besides the overall decline in agricultural credit, what is even more worrisome is the decline in the number of small loans (of up to Rupees 25,000). These are essentially informal sector loans which slipped from a peak of 62.55 million in March 1992 to 37.22 million in March 2002. Their share in total bank credit also declined from 25 per cent to only 6 per cent during the same period. Thus, it seems that brunt of credit squeeze in agriculture is being faced by small farmers.

#### **4. Sub-Optimal Use of Inputs and Adoption of Technology**

The imperative of stabilising and augmenting agricultural yields is also evident from the fact that there is less scope for increasing area under cultivation of various crops. Further, apart from the decline in land-holding size, there is increasing cost of production and depletion of ground water. Increase in agricultural production would therefore have to emanate from improvements in productivity from the existing cultivated area through use of location-specific high yielding varieties, balanced fertiliser doses, effective transfer of technology and timely supply of all inputs. There is also an urgent need to increase the availability of farm electricity power to boost productivity.

***Unsatisfactory Spread of New Technology*** : One of the main reasons for the low levels of yield in Indian agriculture has been the unsatisfactory spread of new technological practices, including the adoption of High Yielding Varieties (HYV) of seeds and usage of fertilisers, inadequate spread of farm management techniques and other practices such as soil conservation and crop rotation. The adoption of the HYV seeds require intensive use of fertilisers and pesticides under adequate and assured water supply. In the absence of proper irrigation facilities, the use of HYV seeds would entail higher yield risk as compared to traditional seed varieties. This increased risk is one of the elements obstructing the speedy adoption of HYV seed cultivation across regions and crops.

***Low availability of farm electricity power*** : The availability of farm electricity power in the country continues to be low. During 2000-01, it was as low as 1.35 kilowatt/hectare in India as compared with some of the developed nations, such as Japan (8.75 kw/ha), Italy (3.01 kw/ha), France (2.65 kw/ha), the United Kingdom (2.5 kw/ha), and Germany (2.35 kw/ha). Furthermore, there is a wide disparity among the States in India regarding the availability of farm power.

## **5. Distortionary Pricing and Subsidies**

The Minimum Support Price (MSP) mechanism was put in place to provide assured incomes to producers. However, during the 1990s, substantial increases in MSPs of rice and wheat have significantly distorted the incentives provided to these crops at the cost of other crops. At the same time, power subsidy provided for irrigation has further tilted the incentives against rain dependent crops like pulses and oilseeds. These distortions have obstructed efforts aimed at diversification of crops.

### **Higher Remunerative Prices for Rice and Wheat Obstructing Diversification :**

Substantial increases in MSPs of rice and wheat during the 1990s, in conjunction with unattractive MSPs for other crops, have resulted in increasing cultivation of rice and wheat, especially in irrigated areas. This situation arose due to the fact that assured income (income per hectare obtained by multiplying MSP with yield per hectare of a given crop) from rice and wheat cultivation had been consistently higher than their respective costs of cultivation, while the assured incomes in case of other crops like oilseeds and pulses fell short of their costs. The adverse incentives provided by MSP constraining crop diversification require correction.

***Excessive drawing of water due to power subsidy in irrigation*** : The disincentive problem has been further accentuated by the provision of subsidies on electricity and diesel which have encouraged cultivation of water intensive crops such as rice and wheat. Subsidisation of electricity for irrigation has also led to excessive drawing of ground water and resulted in soil degradation leading to depletion of water table and increased soil salinity, especially mainly in the agriculturally developed regions like Punjab, Haryana and West Uttar Pradesh. In fact, in these

areas, rice is cultivated as a cash crop, since the staple cereal of the region is wheat. Moreover, since farmers with larger capacity pumps can draw water away from the water table adjoining their farms at a faster rate than those with smaller farms, this has had an adverse impact on the small and marginal farmers. There is an urgent need to correct this problem by increasing the assured income from crops other than rice and wheat on one hand and reducing subsidies on electricity for irrigation by imposing adequate user charges.

Notwithstanding the recent increase in the MSPs of oilseeds and pulses by a larger quantum than those of paddy and wheat, the assured incomes from these crops still continues to be low, especially since the low yield rates obtained in these crops. Therefore, there is an urgent need for crop diversification, specifically, growing oilseeds and pulses in irrigated areas, so that assured incomes from these crops will increase, apart from addressing the soil sustainability issues. Furthermore, crop diversification to other crops is also necessary since Indian rice and wheat do not enjoy comparative advantage in international markets. While the increased cultivation of oilseeds and pulses in irrigated areas may address the soil sustainability issues, growth of fruits and vegetables in less irrigated areas, along with watershed creation and proper management water resources, may address the issue of rain dependence and the consequent volatility of farm incomes, as the water requirement for orchards is generally lesser than other crops. However, increased cultivation of fruits and vegetables necessitates better storage, transportation and food processing facilities in rural areas for enabling farmers to realise higher incomes. It also requires that Indian food products be compliant with at least *codex alimentarius* norms, for them to be internationally competitive.

## **6. Untapped Exports Potential**

In recent period India has emerged as a leading producer of many agricultural products in the world. India is now the largest producer of coconut, arecanut, cashew nut, ginger, turmeric, black pepper, and the second largest producer of fruits and vegetables. This progress on the domestic front has, however, not been translated into enhanced exports of these commodities. Exports of agricultural products generally displayed a relatively lower rate of growth except for a brief period in mid-1990s. While exports of traditional commodities such as tea, coffee, rice, spices and oil meal have decelerated, sharp expansion was observed in exports of high value and processed agricultural products such as fruits and vegetables, processed fruits, juices, and meat and meat preparation. In order to realise the huge potential of exports which has so far been untapped, particularly in respect of processed foods, it is imperative that domestic controls are removed expeditiously and adequate rural infrastructure is in place which would ensure efficient warehousing, processing, packaging, storage and related research.

It is now agreed that Indian agriculture has vast business potential, especially in the food processing sector, in view of the substantial production of fruits and vegetables and milk and other animal food products in the country. However, tapping this business potential in food processing industry requires that Indian food exports should comply the *codex alimentarius* norms.

## **7. Employment Absorptive Capacity**

Nearly 60 per cent of the population in India is dependant on agricultural income. This is clearly symptomatic of the failure of other sectors *i.e.*, industry and services in absorbing the surplus labour from agriculture. This problem is likely to be even more important in future. The demographic profile of India is currently

under a transition. It is expected that the working age population as a proportion of total population would double during the next three decades. This, in turn, would imply a growing proportion of population dependant on agricultural income which would have to be absorbed through creation of adequate employment opportunities within the agricultural sector.

## II. Extracts from the Common Minimum Programme (CMP)

### A. Policy Intentions Relating to Agriculture

1. ***Enhanced Public Investment*** : The UPA government will ensure that public investment in agricultural research and extension, rural infrastructure and irrigation is stepped up in a significant manner at the very earliest. Irrigation will receive the highest investment priority and all ongoing projects will be completed according to a strict time schedule.
2. ***Step up in Rural Credit*** : The rural cooperative credit system will be nursed back to health. The UPA government will ensure that the flow of rural credit is doubled in the next three years and that the coverage of small and marginal farmers by institutional lending is expanded substantially. The delivery system for rural credit will be reviewed.
3. ***Lower debt burden on farm loans*** : Immediate steps will be taken to ease the burden of debt and high interest rates on farm loans.
4. ***Expansion of insurance*** : Crop and livestock insurance schemes will be made more effective.
5. ***Dryland farming, watershed and wasteland development*** : The UPA government will introduce a special programme for dryland farming in the arid and semi-arid regions of the country. Watershed and wasteland development programmes will be taken up on a massive scale. Water management in all its aspects, both for irrigation and drinking purposes, will receive urgent attention.
6. ***Minimum wage laws for farm labour*** : The UPA administration will ensure the fullest implementation of minimum wage laws for farm labour. Comprehensive protective legislation will be enacted for all agricultural workers.

7. **Clear land titles** : Revenue administration will be thoroughly modernised and clear land titles will be established.
8. **Professionalisation of Cooperatives** : The UPA government will bring forward a Constitutional Amendment to ensure the democratic, autonomous and professional functioning of cooperatives.
9. **Removal of Controls** : Controls that depress the incomes of farmers will be systematically removed. Farmers will be given greater say in the organisations that supply inputs to them.
10. **Protection from Imports** : The UPA government will ensure that adequate protection is provided to all farmers from imports, particularly when international prices fall sharply.
11. **Focused Procurement and Marketing** : The UPA government will ensure that government agencies entrusted with the responsibility for procurement and marketing will pay special attention to farmers in poor and backward states and districts.
12. **Remunerative Prices** : Farmers all over the country will receive fair and remunerative prices. The terms of trade will be maintained in favour of agriculture. The UPA government will take steps to ensure that dues to all farmers including sugarcane farmers will be cleared at the earliest.

***B. Policy Intentions Relating to Food and Nutrition Security***

1. **Medium-term strategy for food and nutrition security** : The UPA will work out, in the next three months, a comprehensive medium-term strategy for food and nutrition security. The objective will be to move towards universal food security over time, if found feasible.
2. **Targeted PDS** : The UPA government will strengthen the public distribution system (PDS) particularly in the poorest and backward

blocks of the country and also involve women's and ex-servicemen's cooperatives in its management. Special schemes to reach foodgrains to the most destitute and infirm will be launched. Grain banks in chronically food-scarce areas will be established.

3. **Antyodaya cards** : Antyodaya cards for all households at risk of hunger will be introduced.
4. **Improving efficiency of FCI** : The UPA government will bring about major improvements in the functioning of the Food Corporation of India (FCI) to control inefficiencies that increase the food subsidy burden.
5. **Nutrition programmes** : Nutrition programmes, particularly for the girl child will be expanded on a significant scale.

### III. Medium-Term Priorities

#### (i) *Comprehensive Perspective Plan (CPP)*

There is, at present, no comprehensive agricultural plan in India and various policy measures are announced in an *ad hoc* manner. With a view to giving a medium-term perspective to agricultural development, it is suggested that a **Comprehensive Perspective Plan** (covering 3-5 years), akin to the Exim Policy, should to be formulated for the agricultural sector covering various aspects like production, marketing, external trade, *etc.* Besides, proper sequencing of reforms in the related areas, the CPP should spell out attainable targets in these areas. The CPP should be a rolling plan with **annual announcements** of relevant policy changes besides taking stock of the progress achieved with regard to targets. The National Action Plan being prepared by the Ministry of Agriculture for Increasing Agricultural Productivity and Doubling Food Production by 2011-12 could be reconciled with the CPP.

In order to take advantage of the liberalisation in the global markets and India's competitive advantage in several agricultural commodities, the CPP would have to be dovetailed with WTO's Agreement on Agriculture (AoA).

#### (ii) *Steeping up of Public Investment*

Investment in agriculture should be raised from the present level of around 1.3 per cent of GDP to at least a minimum of 2-3 per cent of GDP in the medium-term. In order to improve and further encourage private sector investment in agriculture appropriate fiscal incentives may be provided. A regular monitoring of on-going investment projects is necessary so as to facilitate identification/rectification of gaps in implementation. Emphasis needs to be placed on successful completion of on-going projects in time-bound manner, rather than starting new projects.

**iii) Marketing Reforms**

All barriers to free movement of commodities (inter-State) need to be removed. While the Essential Commodities Act (1955) has been amended, in practice, restrictions still continue to exist in certain areas, which hamper free movement of commodities. All States/UTs need to modify their Agricultural Produce Marketing Committee Acts so as to create a lawful role for private and co-operative sector in market development, which could go a long way in encouraging activities like contract farming.

**iv) Agricultural Inputs**

With a view to facilitating distribution of seeds/fertilisers and other inputs to small farmers in remote areas, it is suggested that the services of PACS (as done in some States like UP), gram panchayats, *etc.*, could be utilised, in addition to the existing arrangements.

**v) Watershed Development**

There is need for involving grass root panchayat level institutions, voluntary agencies and community participation in watershed development

**vi) RIDF**

In order to increase the utilisation of RIDF funds, which is at present hampered by the stipulation regarding contribution of matching funds by the State Governments, there is a need to have a relook/relaxation of this norm.

**vii) Precision Farming**

Another aspect of market determined agricultural development and crop diversification is the precision farming. Precision farming makes use of remote sensing to macro-control of Global Positioning System (GPS) to locate precisely ground position and of Geographic Information System (GIS) to store ground

information. It precisely establishes various operations, such as the best tillage, application of fertiliser, sowing, irrigation, harvesting etc., and turns traditional extensive production to intensive production according to space variable data. Precision farming not only may fully utilise resources, reduce investment, decrease pollution of the environment and get the most of social and economic efficiency, but could also make farm products controllable, and hence be produced in standards and batches. However, precision farming has been confined to developed countries so far. Land tenure system and smaller farm size have limited the scope of precision farming in India. However, there is a wide scope for precision farming in irrigated/commercial/fruit and vegetable crops/high value crops. It would, of course, necessitate development of database of agriculture resources, which will act as decision support system at the farm level.

***viii) Commodity Futures Trading***

To create more awareness among farmers, NABARD/ State Government agencies may be encouraged to organise campaigns about the benefits of futures trading. Warehouse receipts to be made tradable, with adequate legal backing to develop commodity futures.

***ix) Foodgrains Procurement Operations***

Few States like Punjab and Haryana are at present the major beneficiaries of the Government's food procurement operations. The scheme needs to be extended to other States.

***x) Providing insurance coverage to non-wilful defaulters***

Presently, many farmers are not eligible for obtaining Kisan Credit Cards/loans from banks, mainly due to defaulting their loan commitment at some point of time. However, a major portion of the small and marginal farmers can be non-wilful defaulters. Predominantly they are rain-dependent farmers, and

therefore may have suffered due to either drought/flood, which are quite common across the country. In such a scenario, making credit available to non-wilful defaulters may enhance the credit flow to agriculture, apart from increasing the capability of these farmers to improve their incomes. However, such argument is contingent on the fact that these farmers do not suffer from the vagaries of weather in future. This necessitates insulating farm incomes through appropriate insurance mechanism. Though the National Agricultural Insurance Scheme is operational, its reach has not been adequate to insulate borrowers from the vagaries of monsoon. This would have to be reviewed comprehensively and appropriate correction mechanism needs to be devised.

***xi) Intensive use of information on marketing***

To reap adequate benefits from crop diversification, it is mandatory that adequate marketing facilities be created. Creation of marketing facilities not only necessitates investment in warehouses, cold storages and transportation, *etc.*, but also providing adequate information to farmers regarding ruling prices and demand-supply situation in various markets across the country. The role of Information Technology in this regard could be phenomenal. Presently, National Informatics Centre provides price data on various agricultural commodities at <http://agmarknet.nic.in>. However, these prices data are available in English and moreover, it demands that farmers/producers have internet connectivity. Provision of the same data in regional vernacular at information kiosks established at suitable places like village panchayat office or Regional Market Committees, could go a long way in improving the information flow to farmers/producers. Furthermore, creation of e-markets on the web can allow farmers/producers to sell their produce from their place of residence and then ship the merchandise to the buyers.

***xii) Comprehensive Database on borrowers***

Another use of the information technology could be establishment of a comprehensive data base on borrowers of various lending institutions. This will help a long way in increasing credit flow as presently, borrowers need to submit numerous No Objection Certificates to banks for availing loans, which takes substantial time in acquiring as the borrower needs to visit numerous bank branches spread across the block. The time element involved in obtaining the NOCs puts a large opportunity cost on the borrowers' time apart from hindering the timeliness of credit delivery. In presence of the comprehensive data base, the banks can verify the particulars of any loan applicant and do away with the need for excessive documentation like submission of NOCs and enhance the timeliness of credit delivery.

#### **IV. Immediate Action Plan**

The following suggestions could be considered on an immediate basis during the current financial year.

- i) **Announcement of Comprehensive Perspective Plan** : Comprehensive Perspective Plan (CPP) for Agriculture could be announced initially for a three year period from 2004-05 to 2006-07 to make it co-terminus with the Tenth Five Year Plan. Thereafter, Five Year CPP could be announced.
- ii) **Higher public investment** : The forthcoming budget 2004-05 could earmark higher outlay for public investments in agricultural research and extension, rural infrastructure and irrigation projects.
- iii) **Monitoring Project Implementation** : To ensure proper end-utilisation of funds and completion of projects on time either a separate Task Force/Group can be constituted or periodic progress reports may be obtained from the respective State Governments. This could help in identifying bottlenecks in various stages of the project implementation and help in taking immediate necessary corrective measures.
- iv) **Fiscal Incentives** : To encourage private sector participation (corporates and other such entities other than individuals) in R&D, rural infrastructure building and extension services, fiscal incentives like tax holidays could be thought of. Separate amount may be earmarked for R&D in dry land farming.
- v) **Legal Reforms in Marketing** : A mechanism needs to be instituted to monitor/speed up the reforms in States/UT's Agricultural Produce Marketing Committee Acts.
- vi) **Incentives for building rural infrastructure** : Banks/ corporates could be given incentives for building godowns/cold storages to facilitate value

addition, supply chain management and prevent distress sales. (In Southern States, banks like the Canara Bank have already taken some initiatives).

- vii) **Greater participation for distribution of inputs** : Services of PACS/ Gram panchayats to be utilised, in addition to the existing arrangements, to facilitate distribution of agricultural inputs like seeds/fertilisers.
- viii) **Greater participation for in watershed development** : Grass root panchayat level institutions, voluntary agencies and community participation in watershed development could be encouraged.
- ix) **Better utilisation of RIDF funds** : The stipulation regarding matching contribution from State Governments could be modified to facilitate better utilisation of RIDF funds.
- x) **Price Protection** : Price Stabilisation Fund should be set up for other agricultural commodities similar to that for tea, coffee, rubber and tobacco so as to protect the interests of farmers from the effects of fall in international prices.
- xi) **Distress Relief Fund** : A Special Distress Relief Fund may be created to provide succour to small and poor farmers to prevent them from taking extreme measures like suicide in the event of natural calamities like droughts/floods.
- xii) **Grain Banks** : Grain banks to be established in food scarce areas. Measures to strengthen better targeting of the Public Distribution System to be initiated
- xiii) **WTO and Agriculture** : A Standing Advisory Committee on Agriculture and WTO, comprising of a cross-section of representatives drawn from the needs to be set up to both, prepare India for the challenges arising out of Agreement on Agriculture (AoA) and facilitate in taking advantage of India's competitive strengths in various agricultural commodities. The

Group could undertake detailed commodity-specific studies to delineate our strengths and weaknesses.

- xiv) **Farmer Education** : Farmers have to be educated about phyto-sanitary measures to enable them to produce products complying with the WTO standards.