



Green shoots

The Government should build political consensus on plans for reform in the farm sector.

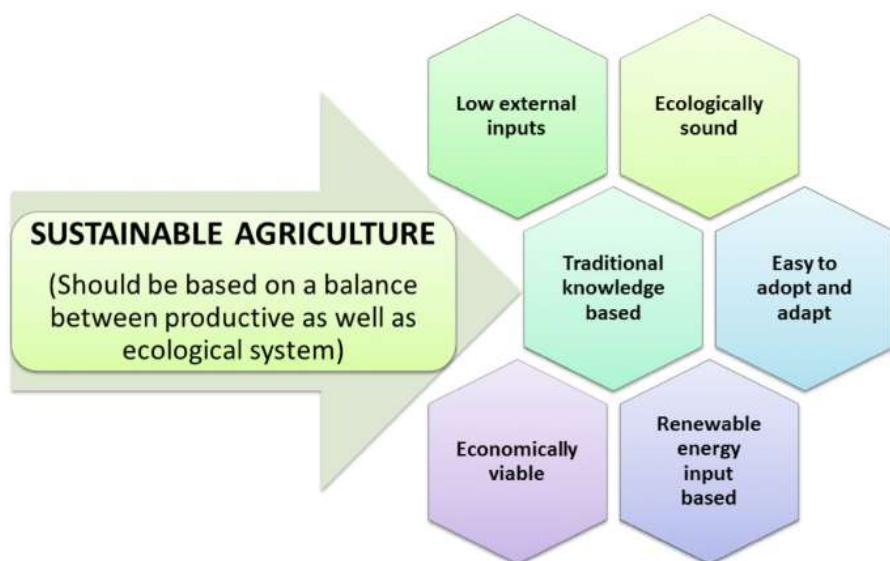
Future of agriculture:

1. The repeal of three controversial farm laws by the government through a parliamentary resolution has defused the conflict over them, but the underlying questions regarding the sector remain unresolved.
2. The repeal of the laws has created a hostile environment for a long-term resolution to the agricultural practices that are economically and environmentally unsustainable.
3. No reform can be possible without building sufficient political support for it, unless unlimited state force is used to suppress the opposition.
4. Farmers have resolved to review the progress of their agreement with the Government in mid-January. Their key remaining demand is a legal guarantee of minimum support prices for all crops.

5. While the Government has promised that the existing minimum support price regime will not be diluted, the questions on extending its coverage and backing it up legally have been left to a committee constituted by the Prime Minister.

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Long term sustainability of agriculture:

1. The Indian agriculture sector requires a balance between national development priorities and market linkages, and ensure long-term economic sustainability for those employed by it.

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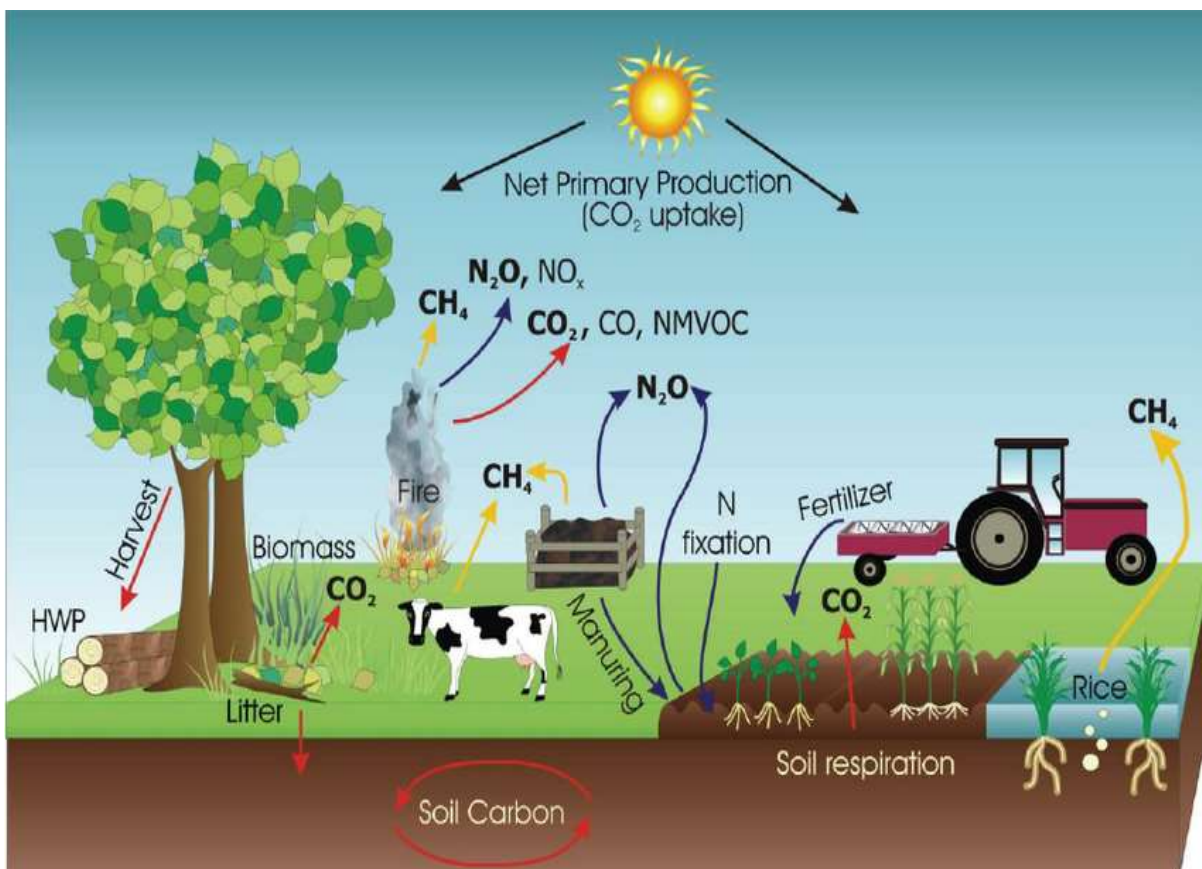
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2. Wider coverage of minimum support prices could encourage farmers in Punjab and Haryana to switch from irrigation intensive, and expensive rice to a diverse crop pattern without compromising on the food staple.
3. Water abundant areas could adopt appropriate crops. To achieve an ecologically appropriate geographical spread of crops, the existing regional disparity in the sector needs to be addressed, by giving more state attention to regions and crops that are now in a shadow.
4. Enhancing agriculture incomes is a shared objective of all political parties, and it is most unfortunate that they are unable to put their heads together to achieve this.
5. The calm achieved by rightly repealing the three laws should be wisely used by the Centre to build a political consensus on the country's agriculture sector.

CASE STUDY: Agri Emissions





Current Agricultural Practices are not sustainable

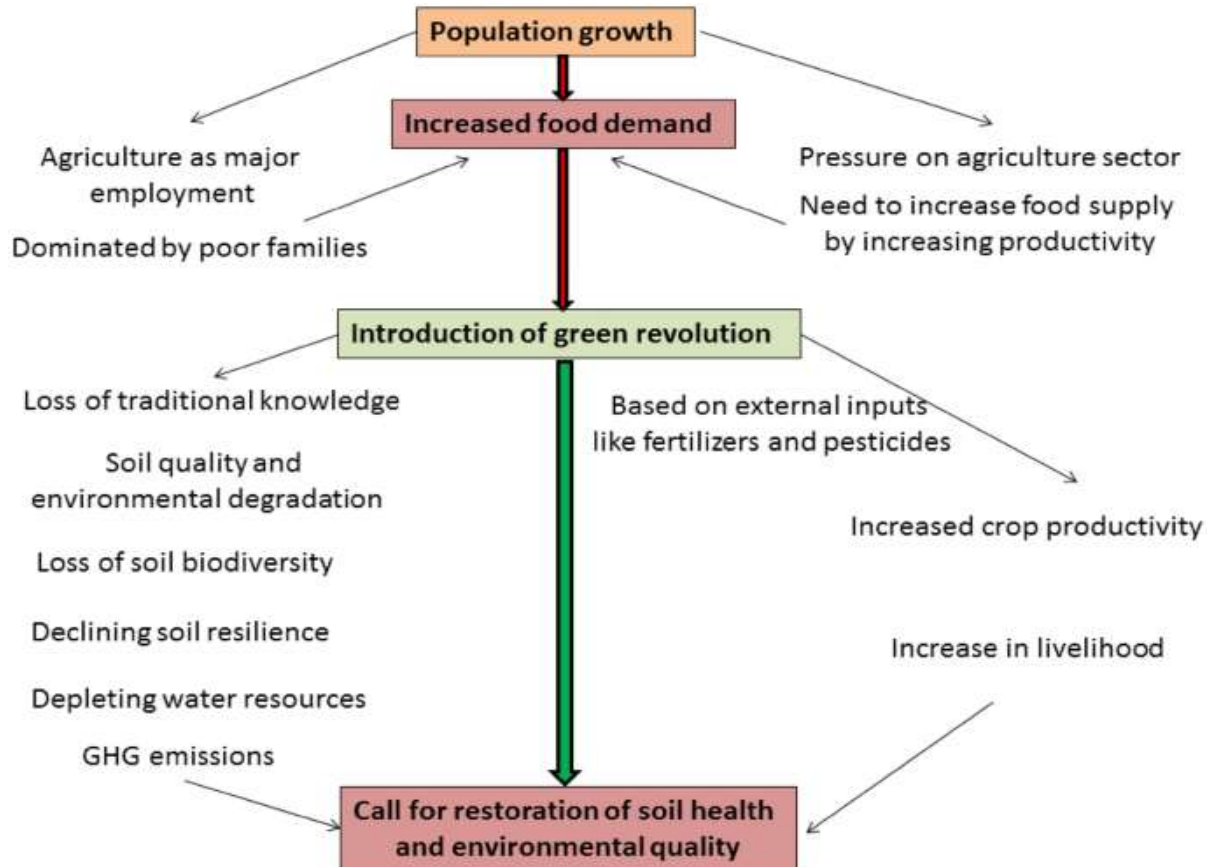


EXHIBIT 1 | The Consequences of Current Farming Practices Are Serious

Agricultural impacts	Environmental effects	Social repercussions	Economic outcomes
<ul style="list-style-type: none"> Soil degradation Water scarcity Weed and insect resistance to pesticides 	<ul style="list-style-type: none"> Pollinator decrease Biodiversity loss Extreme weather and climate change Nitrate pollution Emissions Deforestation 	<ul style="list-style-type: none"> Few incentives for youth to work on farms Insufficient healthy food to fight malnutrition and obesity 	<ul style="list-style-type: none"> Gaps in yield and agricultural productivity Insufficient livelihoods for owners of small farms

Source: BCG analysis.