



WORLD BANK GROUP

Doubling Farmers Incomes: Transforming India's Food System

Chakib Jenane
Lead Agriculture Economist
World Bank Agriculture Global Practice



भारतीय कृषि एवं खाद्य परिषद्
INDIAN COUNCIL OF FOOD AND AGRICULTURE

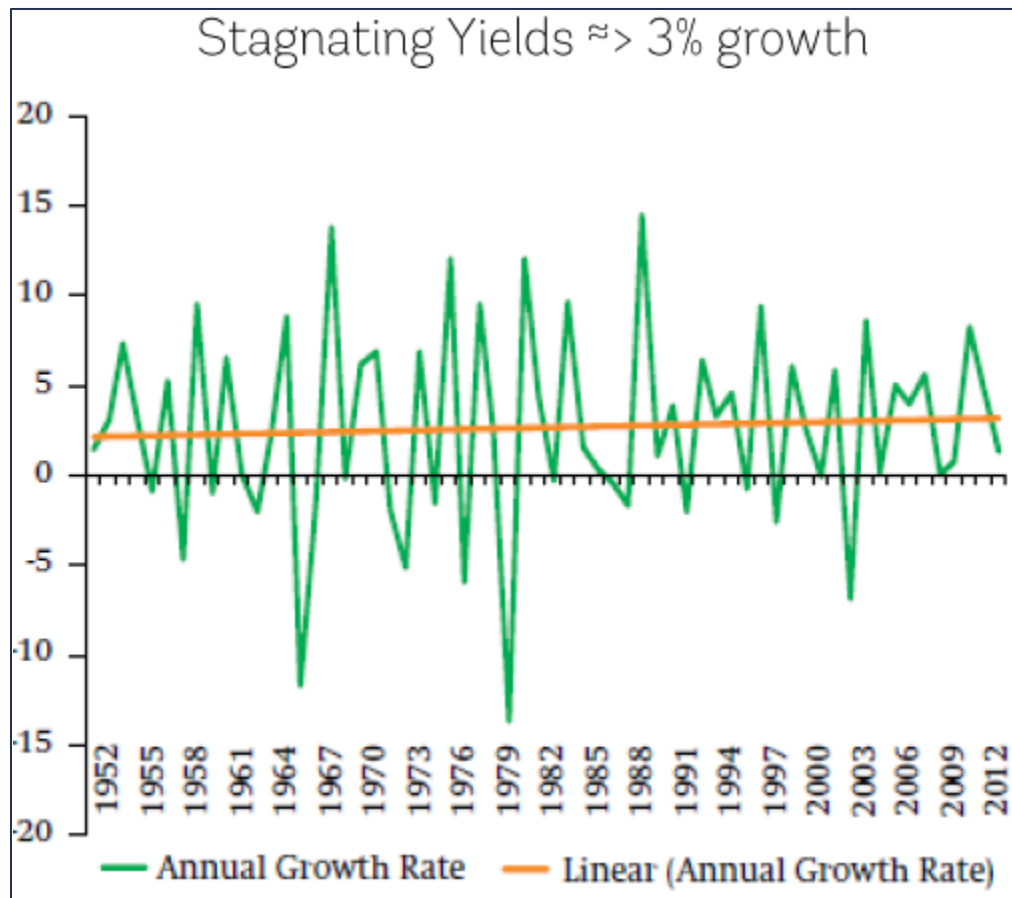
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Some key challenges and trends

Agriculture – main user of land and water – is low productivity

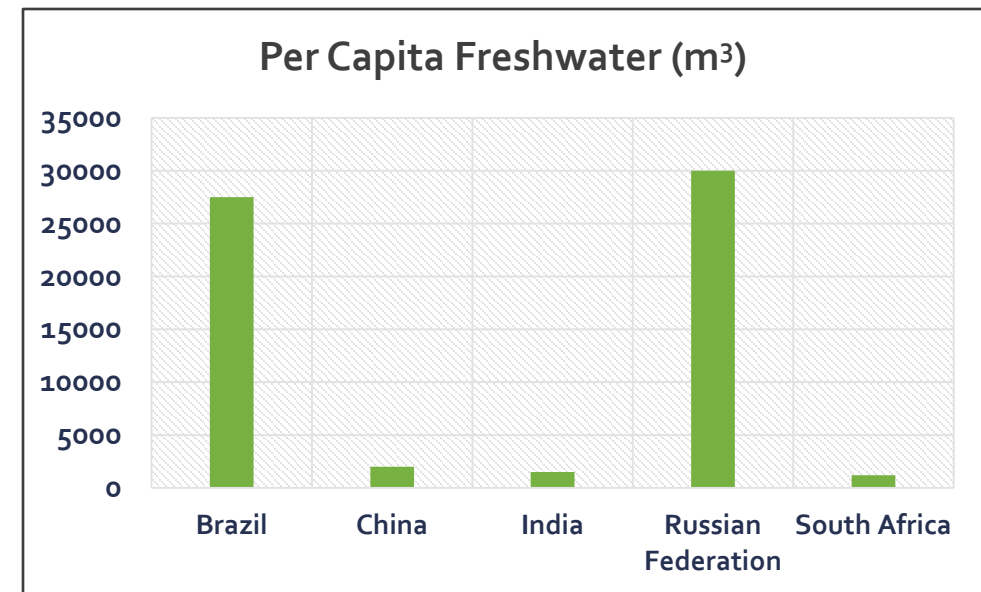
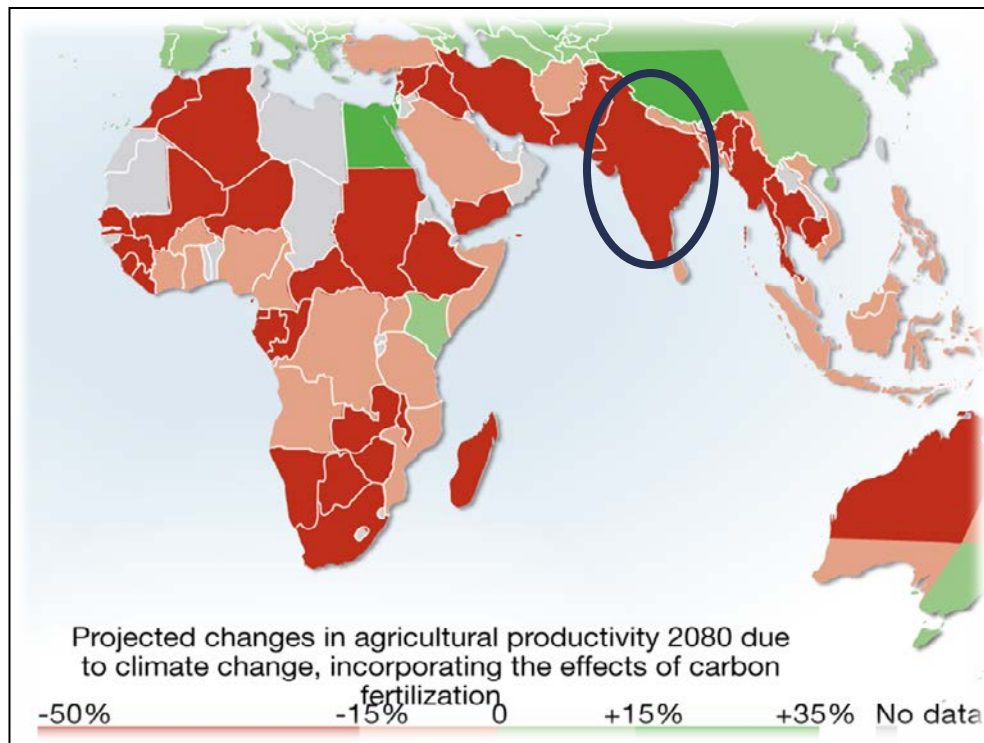
- Cumulative degradation of resource base (water and soils)
- Reliance on low value cereals
- Low farm efficiency, aggravated by climate change



	TFP Growth	Efficiency Change	Technical Change
1980-2009	1.3	-0.4	1.7
1981-1997	1.6	0.4	1.2
1997-2003	0.9	-1.1	2.0
2003-2009	1.7	-0.8	2.5

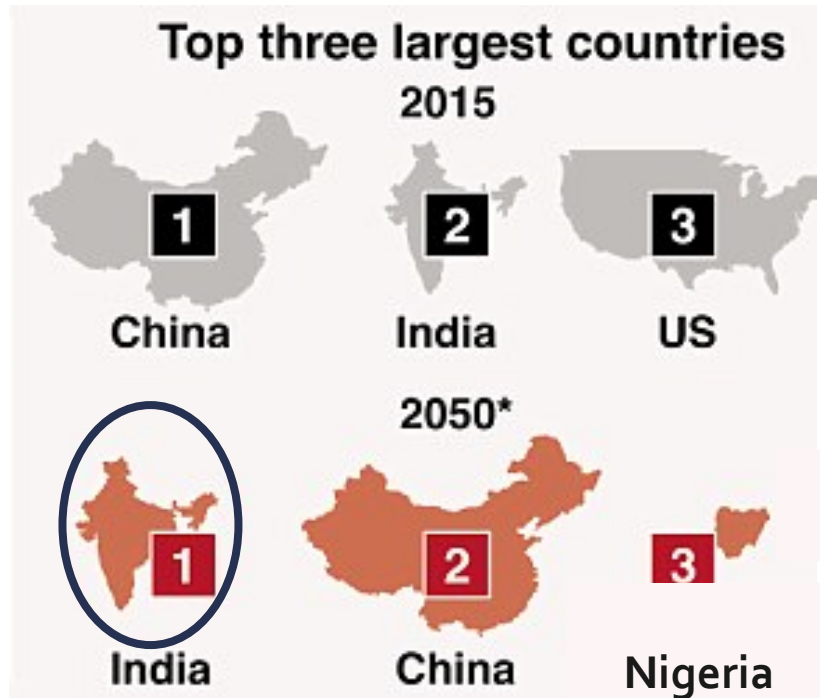
India will have to cope with impacts of climate change

Projected Changes in Agricultural Productivity due to Climate Change



To reach middle class status **more will be need to be produced from each unit land**. Constraint of water and visible and rising.

In 2050, India will be the largest country in the world in terms of population (1.7 billion)



Source: United Nations

✓ To feed the growing population, the food supply would need to increase

And with an emerging middle-class, there will be a demand for a different food mix: quality, safety, nutrition

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Can farmer incomes be doubled?

Short answer: YES!

- Crucial World Bank study finding:
Economic efficiency of typical farm estimated to be very low (33%)
 - ✓ About half of forgone income due to technical inefficiency (technical advisory services).
 - ✓ The other half due to crop choice or production structure – incentive driven by current policies.
- Clearly plenty of scope to double or even triple typical farmer's income.



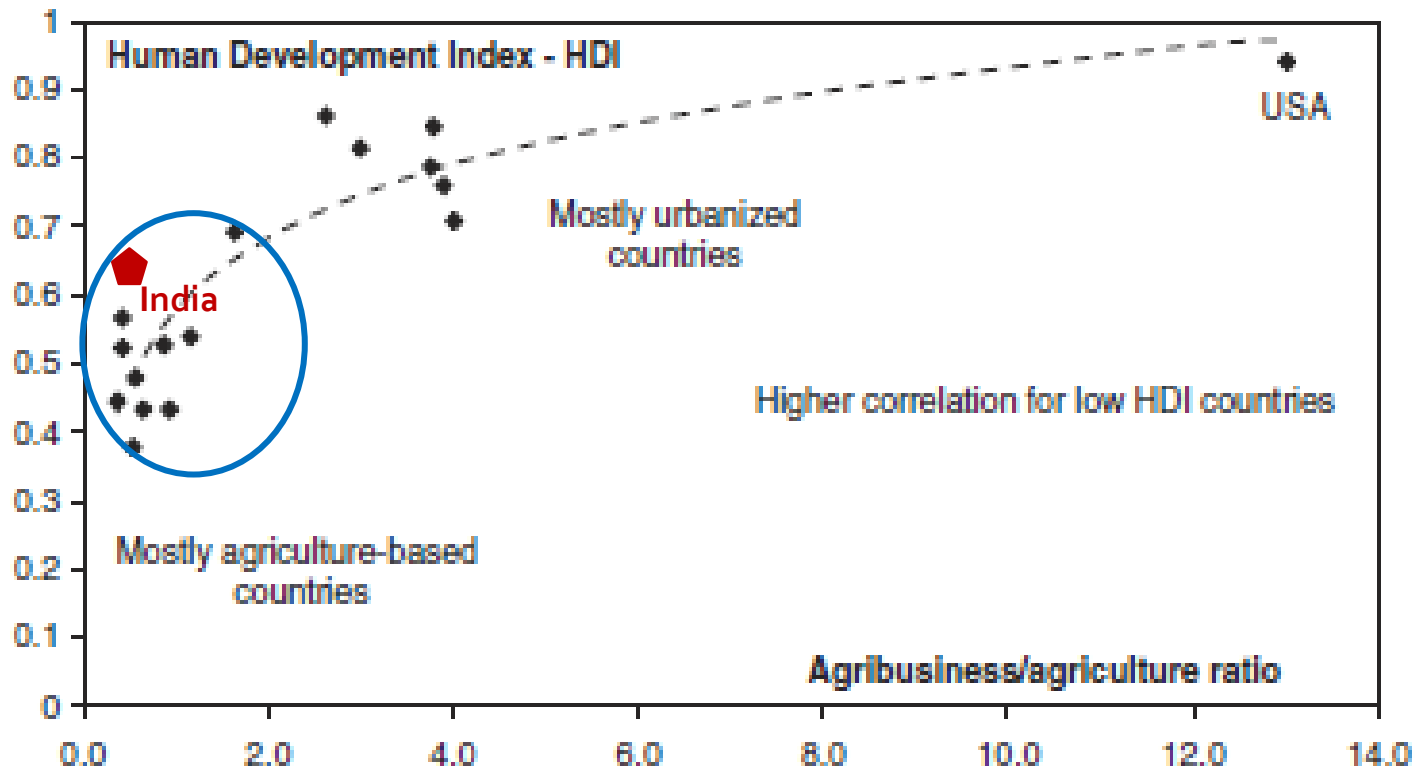
Forging a resource-efficient growth path: Fundamentally changing policies and strategies for agriculture and the wider rural economy

Consider reorienting expenditures from subsidies and price support towards productivity enhancing investments:

- De-linking subsidy from: (i) input use and (ii) production of water thirsty crops.
- Shift expenditures to public investments in R&D, irrigation systems, rural infrastructure (roads), cold storage facilities and markets.
- Consider direct income support, which requires a delivery architecture and experimentation to design and built coalitions of support.
- Build resilience through R&D for innovations in climate-smart-agriculture.
- Complementary agenda to grow the rural non-economy, so that agriculture does not remain the reservoir of last resort occupations.

Need to accelerate the transformation process....increase the Agribusiness-to-Agriculture ratio – income multiplier effect

Agribusiness development impact on the



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Approach: Resilient Inclusive Growth

Investment Priorities - Areas of focus

Higher agriculture growth and more jobs through diversification and value addition

- Agriculture Diversification towards HVA
- Agribusiness and value chain development
- Agro-industry and logistics

More climate resilient agriculture by scaling up and mainstreaming triple win solutions

- Irrigation technologies for water use efficiency
- Climate smart practices
- Drought tolerant varieties
- Soil health management

Rural Enterprise, skills and ecosystem development for creating inclusive jobs and employment

- Support for rural non-farm economic opportunities
- Skills Development for better quality jobs

• Healthier and Safer Food System by shifting focus from food security to nutrition security

- Supporting the production of quality and safe food
- Making agriculture more nutrition-sensitive.
- Developing a functional food quality, nutritional, traceability and safety assurance infrastructure.



Thank you

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