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**2017 USDA
Agricultural Outlook Forum
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INDIA: Challenges and Opportunities**

**India's Agricultural Transition –
Is Demand Outpacing Policy?**

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India and Agriculture

- **One of world's fastest growing significant economies**
- **World's 3rd largest producer of food**
- **Agri share in GDP 14-15%; employs >50% workforce**
- **Low farm growth rates; Growth without equity**
- **Low on HDI; High on GHI**
- **Food security and Nutrition security challenge**
- **New challenges – land, water, GW/CC**

Burgeoning food demand

- **Rising purchasing power + Demographic pressure + Low per capita availability = Demand expansion**
- **Mega trends: urbanization, nuclear families, changing lifestyles, evolving food habits, rising aspiration level**
- **Food demand growth rapidly outpacing supply growth**
- **Rising dependence on import to meet food needs**
- **Demand-supply gap set to widen next 10-15 years**

Recent Policy Initiatives

- **Identification, banking and mobile phone technologies for direct benefit transfer**
- **Doubling farmers' income in 5 years; Soil Health Card; Crop Insurance Scheme; Agri Credit; Organic farming; Dairy initiatives; Irrigation program; e-NAM; Contract farming law; and many more**
- **These are 'enablers and facilitators' and not effective tools to address entrenched structural issues**
- **So, demand will continue to outstrip policy response**

India: *Quo vadis?*

- India's agri exports to steadily taper-off (wheat, sugar, oilmeals)
- Imports set to expand (veg oil, pulses, sugar, wheat, oilmeals); Milk import by 2022?
- Political sensitivity of agri sector
- India needs 'sustainable farm resurgence' to ensure growth with equity, meet growing food demand, advance nutrition security and reduce rural distress; realize inclusive growth

Six *mantras* or 6-point action plan for Sustainable Farm Resurgence

- **Strengthen input delivery system**
- **Rapidly expand irrigation facilities**
- **Infuse multiple technologies**
- **Invest in rural infrastructure**
- **Use ICT to deliver price and market info**
- **Build capacity among growers to face volatile market conditions**

Action plan – tough but doable

- **Political and Constitutional challenges in implementing the action plan**
- **Indian government must be ready to bite the bullet; take the State governments along; create a national consensus; invest heavily in addressing structural problems; and stay focused on outcomes**

Thank You –
happy to take questions

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