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INDIA: Challenges and Opportunities

India’s Agricultural Transition –
Is Demand Outpacing Policy?

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• 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 (vegoil, 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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