

# National Agricultural Policy 2000

## Introduction:

The Government plays an important role in removing or reducing the constraints/problems faced by the farmers with the objectives to achieve a higher growth rate in this sector. With the aim of attaining a more substantial growth rate, the Government of India introduced a National Agricultural Policy on July 28, 2000.

## Objectives:

1. To achieve a growth rate of more than 4 percent per annum.
2. To introduce the required structural changes.
3. To make efficient use of resources.
4. To provide necessary supporting services - Technological, environmental and economic.
5. To make agriculture more market oriented.
6. To achieve equity, that is, all the farmer including

## Features:

### 1. Private Participation

- Private enterprises will **receive encouragement** through initiatives such as contract farming, land leasing arrangements, technology transfer, capital infusion, and the assurance of stable markets for crop production. This focus will particularly extend to oilseeds, cotton, and horticultural crops.
- The scope for private **investment** and involvement has expanded significantly. Large corporate entities, including multinational corporations, have entered the agricultural and related sectors.
- The private sector is **investing in research**. This, in turn, will benefit farmers by providing access to superior seeds and advanced technologies.

### 2. Competitive Approach

- Under the framework of the World Trade Organization (WTO), the agriculture sector worldwide has experienced **increased liberalization, resulting in reduced quantitative restrictions (QRS) and heightened international competition** in this field.
- The government's new policy places emphasis on optimizing resource utilization and leveraging technology. It also aims to ensure sufficient access to credit for farmers and safeguard them from the fluctuations in seasonal prices.
- New policy suggests the development of specific strategies and mechanisms for each commodity to **shield farmers** from the adverse effects of **unpredictable price fluctuations in the global market**.

### 3. Efficiency in Agriculture

- Farmers must increasingly focus on **enhancing efficiency, cutting costs, and embracing a competitive mindset**.
- This transformation entails viewing traditional agricultural practices more as a business venture rather than a way of life.

#### 4. **Tax Reforms**

- Tax reforms will involve **revising the tax structure** and rates, particularly regarding materials such as farm machinery, fertilizers, and other inputs and activities.
- The policy places a higher emphasis on **providing tax incentives** rather than subsidies because it creates financial burden on taxpayers.

#### 5. **Internal Trade**

- Internal trade in agricultural commodities will **experience liberalization** through a gradual reduction of existing restrictions, including tax-related constraints.
- The government plans to expand the coverage of **commodity futures markets** to minimize the wide fluctuations in commodity prices and provide risk management options for market participants.

#### 6. **Plant Varieties and Seeds**

- Legislation will be enacted to **provide legal protection** and encouragement for research and the development of new plant varieties and to shield small-scale farmers from exploitation by multinational corporations.
- Focus Areas are the development of animal husbandry, poultry, dairy, and agriculture.

#### 7. **Infrastructure Facilities**

- The government will actively engage in rural infrastructure such as electrification, the promotion of new and renewable energy sources for irrigation, and the provision of rural and farm credit services.

#### 8. **National Livestock Breeding Strategy**

- The agricultural policy aims to **meet the growing demand** for milk, meat, eggs, and livestock products.
- It also seeks to enhance the role of draught animals as an energy source for farming operations.

#### 9. **Finance**

- Financial institutions have been promoted **to provide credit** on favorable terms to farmers.
- To ensure that even small and marginal farmers gain access to institutional finance through **various schemes**.

#### **10. Insurance Scheme**

- An insurance scheme will be introduced to **cover activities** from seed sowing to post-harvest operations, including protection against market price fluctuations.
- The scope of insurance will extend to crops, horticulture, livestock species, and aquaculture.

#### **11. Global Competitiveness:**

- The revitalization of the agricultural sector is essential to compete effectively in the liberalized global economy, leveraging India's comparative advantages.

#### **12. Rural Economic Growth**

- The changes in the agricultural sector and related activities will promote rural development, including the development of small-scale industries to reduce seasonal and disguised unemployment.

#### **13. Agriculture as a Viable Career Educated Youth:**

- If the policy succeeds in its objectives, agriculture will become an attractive career option for educated youth, contributing to the sector's growth and vitality.

#### **14. Government Support for Agricultural Inputs:**

- Special attention is given to promoting agricultural research and education through the Indian Council of Agricultural Research (ICAR).
- Agricultural extension services are provided through platforms like Kisan TV, offering information on new farming techniques, water conservation, organic irrigation, fertilizers, and mechanization to benefit agriculture.

### **IMPLICATIONS:**

India possesses the second-largest arable land area globally, surpassed only by the USA. This vast potential within the agriculture sector remains largely untapped, with aspirations and targets outlined in various Five Year Plans and agricultural policies often falling short of realization. The National Agricultural Policy of 2000 (NAP 2000) presents a roadmap for the necessary changes and improvements within the agricultural sector, as follows:

### 1. Boosting Productivity:

- One of the primary challenges is the **boosting productivity** of Indian agriculture, which lags behind not only developed countries but also many other developing nations.
- The sector requires increased access to high-quality inputs and supporting services.

### 2. Reducing Agricultural Dependency:

- Approximately **48% of the population depends on agriculture**, yet it contributes only 14.4% to the GDP. In contrast, developed countries often have only 2-5% of their population engaged in agriculture, generating surpluses.
- Encouraging rural development and diversifying livelihoods is **essential to reduce the over-reliance on agriculture**.

### 3. Ramping up Investment:

- **Significant investments** are needed to develop agricultural infrastructure, encompassing areas like irrigation, electricity, transportation, markets, and storage facilities.
- Need focus on both **public and private sector investments** through initiatives like public-private partnerships (PPP).

### 4. Research and Development:

- The existing research and development programs have not been entirely successful in providing high-quality inputs like seeds, fertilizers, and tools.
- Increased resources and **innovation are required** to enhance the research and development efforts.

### 5. Extension Programs:

- **Agricultural universities and research institutes** must play a vital role in educating and training farmers on effective cultivation methods and optimal resource utilization.

### 6. Appropriate Technology:

- It's crucial to develop and **employ technology tailored** to India's unique environmental conditions and agricultural needs.

### 7. Area-Specific Strategies:

- Given India's vast and diverse geography, it's imperative to develop region-specific strategies to promote agricultural growth, recognizing variations in soil quality, weather, and environment.

### 8. Utilizing Wasteland:

- India possesses approximately 79.5 million hectares of unused wasteland, which presents an **opportunity for expansion in agriculture** and afforestation.

### 9. Service Cooperatives:

- Small and marginal farmers often lack the means to purchase equipment and quality inputs.

- Establishing service cooperatives can **address this issue and provide marketing services**, although the success of cooperative movements in India has been uneven.

#### 10. **Land Reforms:**

- Effective implementation of land reforms is essential.
- Despite progress, challenges remain in providing marginalized farmers with rightful land ownership.

#### 11. **Cultural Shift:**

- Encouraging a more business-oriented mindset in agriculture is **necessary for transformation**.
- While attitudes toward agriculture are evolving, there is still a tendency to view it as a way of life rather than a commercial venture.

#### 12. **Price Policy:**

- Although the government policies **often fail to provide** sufficient income/price to farmers.
- Some farmer suicides are **attributed to low income** due to unremunerative/low prices.
- Addressing this issue, farmers have called for the implementation of the **Swaminathan formula** for agricultural pricing.

### **Conclusion:**

India is currently the world's second-largest producer of agricultural output, excelling in the production of milk, pulses, spices, fresh fruits, vegetables, wheat, rice, and cotton. It is also a significant agricultural exporter, ranking seventh globally. With the New Agricultural Policy and effective implementation, India has the potential to become a major player in the global agricultural arena, but the key challenge remains the successful execution of these policies. The government has continued to introduce agricultural policy measures, with the introduction of a bill for establishing the National Agricultural Policy Commission in 2019.

### **References:**

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