

Answer on Question #38201 – Economics – Other

The signs are encouraging. Gross capital formation in agriculture, as a percentage of agricultural GDP, increased from 12% in 2004-05 to 22% in 2010-11. Investment in agriculture has increased by 30% in recent years. Advances in biotechnology have stimulated private sector interest in a range of commodities. Farm cooperatives are becoming larger and more effective.

The use of contract arrangements (where buyers offer farmers a guaranteed market in exchange for volume and quality commitments) has increased several-fold in recent years.

Research and extension agencies are now focusing on bridging the yield gaps – the huge differences between actual and potential yields – in rainfed areas. Food production is expected to grow at 4-4.5% per year as a result of massive investments under the XII Five-Year Plan (2012-2017). The government has launched several country-wide programs: the National Agricultural Development Scheme, Food Security Mission, Horticulture Mission, National Rainfed Area Authority and others, each with a specific mandate.

For example, the National Initiative on Climate Resilient Agriculture has a mandate for research to minimize the impacts of climate change (e.g. lower rainfall, land degradation, loss of biodiversity) in dryland areas. New legislation, being debated by Parliament or recently enacted, will encourage agroprocessing and marketing, improve seed availability, and stimulate investment in tribal areas.

The Second Green Revolution is still a few years away. But with the elements in place, most experts are optimistic that the next quantum leap in Indian agriculture is only a matter of time.

- See more at: <http://www.icarda.org/second-green-revolution#sthash.eLe1LvqV.dpuf>