



Secondary Agriculture: To Enhance Income of Farmers

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The term “Secondary Agriculture” was coined with the announcement of the goal of doubling farmers’ incomes, in India. The term ‘secondary’ has a bearing on climate change adaptation and its mitigation, small farm viability and profitability, food security, nutrition, sustainable utilisation of natural resources, and optimal usage of produce from primary agriculture and farm incomes.

The past efforts of agricultural development had revolved around food security through enhanced production. The major drivers for such enhancement had been development of new varieties and improved package of practices including fertilization, irrigation and plant protection. The results had been remarkable as our food grain production has manifested by 6.29% from a mere 50 million tons in 1950. Our horticultural production has reached to all time high 341.63 million tones which include 107.10 million tones of fruits and 204.61 million tons of vegetables. This reflects the hard work of the peasant in consonance with technological advancements. However, need of farmer’s welfare was hardly addressed in the policy framework. In the wake of the call for doubling farmer’s income by 2022-23, necessary measures were taken to double farmer's income.

Food processing was envisaged as one of the potential answers to the call for doubling farmers’ income. This crucial sector links agriculture, manufacturing sector and final consumers; reduces post-harvest wastage through infrastructure creation and adds significant value to agriculture produce through processing technologies. The added value, when it flows back to farmers *via* the value chain along with the value realised through wastage prevention, can add significantly to farmers’ income. Further by engaging farmers in processing activities, providing better storage and transportation and creating market linkages, it is possible to generated avenues for enhancing income for the farmers.

In other words, promoting secondary agriculture has implications On Attaining Sustainable Development Goals (SDGs), which aim to connect primary, secondary and tertiary sectors by using idle factors of production such as land and labour-contributing to primary agriculture production capturing ‘value’ in primary agricultural activities, and generating additional income at the enterprise level.

While there is no formal definition of secondary agriculture, based on the Economic Accounts for Agriculture of the European Union, a Technical Advisory Committee on Secondary Agriculture was formed by the then Planning Commission in 2007, and the committee had set out the inclusion criteria as “assembling, ripening, cleaning, grading, sorting, drying preserving, packing and storing.” The quintessence of secondary agriculture was understood when the Ashok Dalwai Committee submitted its report on “adding value to primary agriculture and building agricultural enterprises in rural India” through “farm-linked activities and secondary agriculture” in February 2018. The committee has defined secondary agriculture as a production activity at enterprise/farm level, and it devised a four-fold strategy:

- (i) Sustainability of production
- (ii) Monetisation of farmers' produce
- (iii) Re-strengthening of extension services
- (iv) Recognising agriculture as an enterprise, and enabling it to operate as such, by addressing various structural weaknesses

This four-fold strategy for secondary agriculture has drawn attention of development professionals, agribusiness academics and experts, and policymaking bodies. Secondary agriculture can help drive the growth of primary agriculture, and three avenues have been identified that adequately help utilise capital, human resources, technology, organisational capabilities, and risk management:

1. Value-addition to primary agriculture production system
2. Alternative enterprises, but linked to rural off-farm activities
3. Enterprises that thrive on crop residues and waste materials of primary agriculture.

The first can be achieved by improving livelihood enhancement action plans that are implemented by farmer-based/community-based organisations. Linking farmers with the market through aggregation and assaying/grading of agricultural produce can help them in value enhancement and appropriation. Collectivisations, cluster farming, financial literacy, marketing skills are important to build this avenue. The second is based on utilisation of alternative enterprises to primary agriculture, but is associated with rural off-farm activities.

For example, poultry, bee-keeping, duck farming and livestock management are off-farm enterprises that can be promoted as part of integrated farming system. Integrated farming can hedge farm risk in the period of crop failure, or ease out the seasonality in the stream of cash flows. The third includes such enterprises that thrive on crop residues, or by-products of primary agriculture. For example, after recovering sugar from cane, cane can be used as bagasse for molasses production. Similarly, cotton stalk and seed (after ginning) can be used for de-oiled cake preparation or utilised in the secondary/tertiary sector.

To promote agricultural entrepreneurship or agricultural enterprises, there is recognition of priority sector status for institutional credit; low-cost skilling and knowledge-based exposure of farm communities; specialised extension services for enterprises owned by females; priority under rural electrification objectives; fast-track procedures to avail benefits under the ongoing central sector schemes; and label geographical indicators to products of village-scale secondary agriculture.

Looking to huge horticultural production which is perishable in nature, the post harvest management, processing and value addition provide a greater opportunity to reduce post harvest losses and develop products of higher economic value especially of perishable horticultural commodities.

India's food processing sector, in recent years, has been known for its high-growth and high-profits, thus, increasing its contribution to the world food trade every year. The food processing sector has been acknowledged as a high priority industry by the government of India and is currently being promoted with various fiscal reliefs and incentives.

Major factors play a role in the growth of the food processing sector are:

1. **Strong domestic demand:** Changing lifestyle and food habits due to increased disposable income
2. **Supply side advantages:** High level of agricultural production - large livestock base, wide variety of crops, inland water bodies and a long coastline, that help increase marine production
3. **Export opportunities:** Proximity to key export destinations, greater integration with the global economy

Proactive government policy and support with the change in demand for value-added goods and the region's diverse supply base, secondary agriculture has a huge amount of potential. Opportunities for investment in such segments are now expected to increase once infrastructure and reliability of supply chains and distribution patterns evolve past the challenges of novel coronavirus.

The goal of strengthening and expanding secondary agriculture through rural industrialization in the form of a cluster strategy is to add value to primary agricultural goods to meet market demands through manufacturing. Reorienting agricultural education to include secondary agriculture in the curriculum will help to increase the manpower available. Also, including secondary agriculture research and extension is crucial in order to develop and transfer relevant technology and methods for primary farmers to benefit from secondary agriculture.