## NBSC lecture series: "Reorienting financial assistance to farmers: Subsidies/ Direct Income support by Dr. Ashok Dalwai

Dr. Ashok Dalwai, CEO, National Rain fed Area Authority (NRAA) delivered the captioned lecture on 27 January 2021 through CISCO-WebEx. Officers from different units comprising of ROs, HODs, TE's and DDMs participated in the lecture series. The lecture series was steered by Dr. Vivek Pathania, FM. The major takeaways of the lecture are as under:

- 1. Agriculture need to move forward & ensure that
  - a. It addresses the nutritional security w.r.t micro-nutrient requirements.
  - b. It incentivises the farmer for higher income
  - c. It dovetails sustainable technologies and farm practices.
- 2. Historically, the policy framework for subsidies has been in the form of price transfer keeping in view the limited financial capacity of the farmers who tend to divert subsidy for consumption purposes.
- 3. The skewed distribution of limited resources by way of subsidies to states having advantage of infrastructure is leading to 'centripetal attraction'.
- 4. The low investments in agriculture, low subsidy transfer as also low corporate investments have been identified as grey areas for agriculture growth, more so in rainfed areas.
- 5. Subsidies play a progressive role in triggering agricultural growth, bridging gap between the 'have' and 'have-not' as also reducing the annual income disparities between urban and rural India.
- 6. Fertiliser, power and food subsidies have negative impact on our natural resources and sustainability of agriculture itself is a livelihood activity.
- 7. 'Crop bias' and 'unsustainable cropping pattern' are two major manifestations of input subsidies which should propel a move towards direct income support system.
- 8. The present day farmer is more commercial and aspirational and can take sound financial and profitable decision. Streamlining of Direct Benefit Transfer has also made it possible to transfer money in more transparent and real time basis. Direct income support will provide greater flexibility in policy framework and manoeuvrability as also will result in equitable and inclusive support.
- 9. The prerequisites for moving to direct income support include
  - a. Building a centralised database of farmers for transfer of all entitlements
  - b. Need to redefine 'farmer' taking into consideration the allied activities
  - c. Developing index of support based on certain weightages taking care of ecological and nutritional requirements.
  - d. Fixing threshold limit for income and conditions for support

