

## Prime Minister addresses Global Agro Industries Forum

### INDIA NEEDS A SECOND GREEN REVOLUTION: PM

18:1 IST

The Prime Minister, Dr. Manmohan Singh, addressed Global Agro Industries Forum in New Delhi today. Following is the text of the Prime Minister's address on the occasion:

"I am delighted to be here at this very important gathering of those focused on agriculture and related industrial development. I compliment the Food and Agricultural Organization, the United Nations Industrial Development Organization and the International Fund for Agricultural Development for coming together and working with those engaged in improving the livelihood of farmers of India and the rest of the developing world. I am very happy that our Ministries of Agriculture, Food Processing, Commerce & Industry are associated with this very important Global Forum.

At the outset, I would like to say that I am deeply honoured and humbled by the Agrícola Award conferred on me. I am aware of the commendable work done by many of its earlier recipients. This award, I take it, is a recognition of the work done for the development of agriculture and of our farmers by a vast number of agencies and individuals in our country. As I accept this very prestigious award, I reiterate our government's and our nation's commitment to the promotion of the welfare of the entire agricultural community. A progressive increase in agricultural productivity and incomes is essential both for the removal of mass poverty and for creating an expanding market for industrial products. It is our sincere desire and effort to take Indian agriculture to a new level of knowledge-based development; a development that is inclusive, a development that is equitable, a development that is environmentally sustainable and a development that is regionally balanced. It is our goal to ensure both livelihood security and food security for all our people, paying particular attention to the needs of small and marginal farmers.

India has had a long association with each of the international organizations present here today. We owe a debt of gratitude for your contribution to improving the lot of our farmers and enhancing our food security. India's Green Revolution would not have been possible without the active cooperation and support of several international organizations as well as some major developed countries, such as the United States of America. The Green Revolution was a great symbol of international cooperation inspired by the noblest of objectives.

There was a time when it used to be said that India lived a ship-to-mouth existence. There was a time when we were critically dependant on food imports. Our farmers were hard put to survive even one bad monsoon. All of that was barely forty years ago. The Green Revolution has enabled us to become largely self-sufficient in foodgrains.

Today, we are at the beginning of what may well be a new phase in our agricultural growth trajectory. We are once again faced with a situation where rising demand for foodgrains and other food items is running into supply constraints – both domestically as well as internationally. This is a phenomenon, I believe, that is not unique to India. Similar pressures are being felt across the world in many other countries. The world as a whole is faced with a situation where rising demand for food is not being met with a similar supply side response. Further, the situation is becoming more complex due to the alternative uses being developed for food crops - I refer here to the growing demand for bio-fuels. Owing to galloping oil prices, bio-fuels are being seen in many quarters as attractive substitutes for imported hydrocarbon fuels. Some see them as a greener alternative, although there may be more than one view on that. Many countries are actively promoting the development of bio-fuels. It is particularly worrisome that the new economics of bio-fuels is encouraging a shift of land away from food crops. What this has done is that for the first time, there is a direct linkage between oil prices and food prices. Food markets have got interlinked to oil markets, making food policy - making extremely complex as well as uncertain.

Given this scenario, there is a persistent feeling that the first Green Revolution has run its course. Modern technology has certainly widened the options available to our farmers and planners. Yet, the world seems to be facing the prospect of food shortages and rising food prices. I believe that in the near future, this is going to be one of the most urgent challenges of our times. Therefore, it is important that the world community tackles this problem head-on. We need a Second Green Revolution. We need new technologies, new organizational structures, new institutional responses and, above all, a new compact between farmers, technologists, scientists, administrators, businessmen, bankers and consumers. The global community and global agencies must fashion a collective response that leads to a quantum leap in agricultural productivity and output so that the spectre of food shortages is banished from the horizon once again.

We in India too, are deeply concerned about rising commodity and food prices. Sharply rising food prices can slow down poverty alleviation, impede economic growth and retard employment generation. The global economy can also be hurt by this process. We in the developing world will of course be seriously hurt by it. Efforts to promote reforms and more open economies would be derailed in the face of persistent food shortages and rising food prices. In most developing countries, food prices are the kingpin of the price structure. A steep rise in food prices will make inflation control more difficult and can thereby hurt the cause of macro-economic stability. The constituency for economic reforms, so necessary to stimulate economic growth, would also diminish. Pressures would mount for restrictive trade practices.

It is my belief that we cannot react to such a situation by returning to an era of blind controls and by depressing agriculture's terms of trade. That will hurt the welfare of our farmers as well as the long term growth of the economy as a whole. The non-farming economy cannot prosper on the back of an impoverished farm sector. Hence, we need creative and imaginative solutions that increase agricultural productivity, that increase farm incomes, that increase food production and, at the same time, also contribute to greater purchasing power in the hands of the poor.

We are also worried that climate change and global warming may have a harmful impact on land productivity and water availability. We need concerted global action to grasp the impact of climate change on agricultural production world-wide. We need more equitable, efficient and rational systems and institutions for the utilization of scarce water resources. The first Green Revolution by-passed dryland farming. We need now new technologies and new production regimes for rainfed and dryland agriculture.

I sincerely hope that this conference will come forward with new ideas for a new social compact that will enhance food security and, at the same time, enhance farmers' welfare.

Our Government has taken several initiatives in the past four years to address some of these challenges. We have focused on improving rural infrastructure through a national programme of Bharat Nirman. We are implementing a globally pioneering national rural employment guarantee programme. I understand that many countries and international institutions are studying this programme to replicate it elsewhere in the developing world. We have launched a National Food Security Mission to meet the immediate challenge of raising food output. We are also engaged in revitalizing agricultural research and extension programmes. We have launched the National Agricultural Development Plan with a special focus on increasing public investment in agriculture.

I believe that farming is increasingly becoming an unviable business proposition for many rural households. Small and marginal farms have become an unviable proposition. We therefore need to make farming viable at this scale. Otherwise, it would be virtually impossible to reduce rural poverty and distress. Indian agriculture is built on the foundation of small, household based farm holdings. IFAD has been a helpful partner and I compliment IFAD's efforts in this direction. But I would like to see greater and wider engagement, especially in providing long-term solutions to the problems faced by small and marginal farmers, particularly for poverty alleviation, for risk mitigation and access to finance. Collectivisation, corporatisation and land consolidation through land alienation are neither

possible, nor socially desirable. We cannot therefore wish away the existence of economically unviable farms. On the other hand, we must find ways in which farmers can benefit from economies of scale in certain farm operations such as provision of farm inputs, credit and marketing support while retaining family-based small holders. Advances in technical and related progress can have a major impact on the productivity and well-being of small and marginal farmers.

Institution building, capacity building, empowering farmers through investment in their capabilities, are the kind of interventions we must seek. Even in promoting agri-business and agro-industries, we need a model that can combine the economics of small farms with the economics of mass production and modern marketing. We need to focus on the economics of farming operations as a whole, not of individual crops alone.

I sincerely believe that some of the solutions to the problems of Indian agriculture are to be found outside agriculture. In the long run, we have to reduce the pressure of population dependent on agriculture. Industrialisation has historically provided new avenues of employment to rural folk worldwide. In a labour surplus economy like ours, we need labour-intensive industrialization to absorb the surplus workforce from rural areas. It is in this context, that agro-processing increases farmers' incomes and provides off-farm employment opportunities. Agricultural modernization and rural development must, therefore, walk hand in hand with rural industrialization.

The potential for agro-based industrialization, especially labour intensive industrialization, is truly enormous. We in India wish to promote agro-industries and offer people living in rural areas new avenues of employment close to the place they work and live. However, unlike in the West, where much of this was highly mechanized due to labour shortages, we need labour using technologies. In many developed countries, the strategy of food processing and agro industry was focused essentially on increasing farmers' incomes without a focus on generating rural employment. In a labour surplus economy like ours, we need solutions that increase producers' incomes but also generate new employment opportunities. The food processing sector must have these objectives in mind.

I am convinced that the welfare of our farming community as well as the livelihood of farmers and agricultural workers will be better ensured through higher investment in rural infrastructure and in agricultural development. Farmers and workers seek incomes, not subsidies. They seek markets and employment, not hand-outs. While some subsidies are useful and helpful, especially when targeted to those in distress, what our rural households seek is higher investment in land development, in water management, in seed technology, in output storage and in marketing. They also seek investment in rural infrastructure. Investment therefore is the key to development. We need much greater global and national effort to increase investment in rural areas in developing world, in agriculture and agricultural technologies, in farm and off-farm economic activities.

I believe, this must be the focus of FAO, IFAD, of the World Bank, UNIDO and of all Governments and donor agencies. I hope we can all work together to make this possible.”