

The Farmer Feeds yet he gets only one-third on Every Rupee

Shantanu Pendsey

Former CGM, State Bank of India

The most fundamental inequity in India's economic architecture is hiding in plain sight. The farmer, who battles uncertain weather, tends the living soil, and delivers food to 1.4 billion people—frequently retains less than one-third of every rupee that food earns in the retail market. In many perishable supply chains, the bulk of the value flows instead to intermediaries, traders, processors, transporters, and retailers, leaving the primary producer with minimal margins.

THE STRUCTURAL CONTRADICTION

Agriculture employs **45–50% of India's workforce** yet contributes only **15–18% of GDP**. Services, employing just 31–33%, contributes **54–56% of Gross Value Added**. *This is not merely an economic gap it is a systemic imbalance.*

The salaried class receives dearness allowance, annual increments, and credit products engineered around their income cycles. *The farmer? He absorbs every rupee of input cost inflation, alone, season after season.* A bold corrective of historic proportions is long overdue.



WHY FARMERS REALLY FAIL

Farmers do not fail primarily because of drought. They fail because of **structurally uneconomic land holdings**; the absence of **collectivisation**; working capital that is scarce, expensive, mistimed; and little advisory ecosystem to help them graduate from *Producers to Processors*.

A farmer is a living, capital-intensive enterprise operating under high uncertainty yet one that receives none of the institutional respect or adequate financial architecture it truly deserves.

THE VICIOUS CYCLE AND ITS SILENT VICTIMS

Intensive and unbalanced use of chemical fertilizers, irrigation, and crop protection inputs, degraded soil, nutrient-deficient crops — all downstream of a broken credit chain. The phosphorus, nitrogen, and micronutrients that once sustained Indian agriculture are vanishing from our soils. The organic produce urban India pays a premium for is frequently grown in land too depleted to deliver real nutrition. **NFHS-5** confirms the fallout: iron deficiency, Vitamin D collapse, zinc depletion are not random crises they are consequences of decades of structural under-investment in the farmer as an economic enterprise.

“We reap exactly what we allow our farmers to sow.”

BRIDGING THE LAST MILE: FROM SCHEMES TO FARMER

India's policy ambition for agriculture is genuine and substantial — the KCC revision, PM-KISAN, Bharat Vistaar, AgriStack, AIF, and PMFBY represent an unprecedented and growing commitment. The opportunity now lies in **convergence**: bringing these together so they amplify one another

and reach the farmer as a single unified, intelligible offer.

Well-intentioned programmes spanning the Ministry of Agriculture, MoFPI, NHB, APEDA, and NABARD often reach farmers as disconnected fragments each with its own channel, and enrolment process. The farmer, navigating limited awareness, low literacy, and group-dependent decision-making, needs one convergent touchpoint.

Bharat Vistaar — India's emerging rural digital backbone — can be that bridge, delivering AgriStack benefits, soil data, credit access, market signals, and scheme information in local languages to every farmer's mobile.

Financial literacy must accompany every intervention. When debt relief is provided through waivers or restructuring it must be paired with structured counselling so farmers rebuild credit eligibility and transition into productive capital, not back into the debt trap.

PMFBY: COMPLETING THE PROMISE

Pradhan Mantri Fasal Bima Yojana is among the most ambitious crop insurance programmes in the world. Its potential is immense — and largely unrealised. Awareness at the farm level remains thin; many enrolled farmers do not understand their coverage or how to file a claim. A **two-stage settlement design** would multiply its impact: an immediate, modest credit directly to the farmer's account within days of a notified crop loss — so he does not approach a moneylender for sustenance or re-sowing — followed by full, audited claim settlement within thirty days. *Timely insurance is transformative insurance.* Insurance that arrives after the farmer has already

borrowed shifts only the source of his debt, not its burden.

A REVAMPED AGRICULTURE ARCHITECTURE

India needs structural reimagination across twelve dimensions:

Adequate, timely credit — Inflation-indexed, need-based; KCC delivered via digital underwriting, SHG-linked channels, and co-lending models.

Bharat Vistaar + AgriStack — Rural digital backbone delivering soil data, scheme benefits, market signals, and credit access in local languages to every farmer's mobile.

PMFBY reform — Two-stage payouts: immediate partial credit at loss notification; full audited settlement within 30 days.

Debt-trap exit literacy — Structured counselling post-waiver so farmers rebuild formal credit access and do not re-enter usurious cycles.

Climate resilience — Drought-tolerant varieties, micro-irrigation, carbon-smart soil management mainstreamed, not piloted.

Collectivisation at scale — FPOs built on the NRLM model — a dedicated national body with ring-fenced funding and professional management.

De-politicised cooperatives — Professionalisation and autonomous governance transforms cooperatives into genuine farmer-service institutions.

Technology-led efficiency — India-specific precision tools, flexible machinery leasing, soil health monitoring to lift output without proportional cost increases.

Reimagined farm education —

Universities shifting to farmer life-cycle outcomes: literacy, market linkages, value addition, climate adaptation.

Warehousing and market linkages — Micro cold storages near farm-gates with long-term off-take agreements eliminate harvest-time distress sales.

Value chain participation — Farm-gate processing units using AIF and convergent schemes shift meaningful income back to the producer.

Farmer recognition — A national framework — agriculture's answer to the Padma awards — restoring the dignity and pride that farming deserves.

India cannot credibly aspire to a **five-trillion-dollar economy** while its most essential workforce earns **Rs.27 a day** net of costs. A peak built on negligible purchasing power for half the population is **structurally hollow**.

Agricultural reform is **national nutrition policy, public health strategy, soil restoration imperative, and rural economic justice** — all at once.

The farmer who feeds 1.4 billion people deserves to be treated as the most essential live enterprise in this nation. This is not corrective justice. This is the need of the hour.

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