

Doubling Farmers' Income: Challenges and Strategies in India

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ABSTRACT

This article examines the concept, challenges, and strategies associated with the goal of doubling farmers' income in India. Agriculture continues to play a crucial role in the Indian economy, yet farmers face persistent issues such as low productivity, price volatility, rising input costs, climate change, and limited access to credit and markets. The study highlights that farmers' income is influenced by multiple factors including productivity, cost efficiency, diversification, and market access. Despite various government initiatives like e-NAM and crop insurance schemes, structural and institutional constraints hinder effective implementation. The paper emphasizes the need for a multi-dimensional approach involving technological adoption, market reforms, infrastructure development, diversification into allied sectors, and strengthened policy support. It concludes that doubling farmers' income is not a short-term target but requires long-term structural transformation for sustainable and inclusive agricultural growth in India.

INTRODUCTION

Agriculture remains the backbone of the Indian economy, supporting nearly half of the country's workforce while contributing around 15–18% to the Gross Domestic Product (GDP) (Government of India, 2022). Despite its importance, Indian farmers continue to face low-income levels, high risks, and economic vulnerability. Recognizing this issue, the Government of India set an ambitious target in 2016 to **double farmers' income by 2022**. Doubling farmers' income is not merely about increasing agricultural production; it involves enhancing profitability through improved productivity, better price realization, cost reduction, diversification, and risk management (Chand, 2017). However, achieving this goal has proven complex due to structural, institutional, and environmental challenges. This article critically examines the key challenges hindering income growth and suggests strategic interventions required to achieve sustainable income enhancement for farmers.

Keywords- Farmers' Income, Agricultural Productivity, Market Reforms, Rural Development, Sustainable Agriculture

1. Farmers Income

1.1 Concept of Farmers' Income

Farmers' income refers to the **net earnings derived from agricultural and allied activities**, including crop production, livestock, fisheries, and non-farm sources. It depends on:

- Productivity (yield per hectare)
- Market prices
- Cost of inputs
- Diversification and value addition

According to National Sample Survey Office (NSSO), average monthly agricultural household income remains relatively low, indicating the need for comprehensive reforms.

1.2 Major Challenges in Doubling Farmers' Income

1.2.1 Low Agricultural Productivity

Indian agriculture suffers from low productivity due to:

- Small and fragmented landholdings
- Limited irrigation coverage
- Low adoption of modern technology

This results in lower output and income compared to global standards.

1.2.2 Price Volatility and Market Inefficiencies- Farmers often face:

- Fluctuating market prices
- Lack of access to organized markets
- Dependence on middlemen

Although initiatives like e-NAM aim to improve market access, implementation challenges persist.

1.2.3 Rising Cost of Inputs- Costs of seeds, fertilizers, pesticides, and labor have increased significantly, reducing profit margins.

1.2.4 Climate Change and Environmental Risks- Erratic rainfall, droughts, floods, and temperature fluctuations adversely affect crop yields and farm income (IPCC, 2021).

1.2.5 Limited Access to Credit and Insurance-

Small and marginal farmers often face:

- Difficulty in accessing institutional credit
- Low awareness of insurance schemes

Even schemes like Pradhan Mantri Fasal Bima Yojana have limited penetration.

1.2.6 Lack of Diversification:

Overdependence on traditional crops limits income potential. Allied sectors like dairy, fisheries, and horticulture remain underutilized.

2. Strategies for Doubling Farmers' Income

2.1 Enhancing Agricultural Productivity

- Adoption of high-yielding varieties (HYVs)
- Use of modern technologies like precision farming
- Expansion of irrigation facilities

2.2 Improving Market Access and Price Realization

- Strengthening digital platforms like e-NAM
- Promoting Farmer Producer Organizations (FPOs)
- Reducing the role of intermediaries

2.3 Cost Reduction Strategies

- Efficient use of inputs
- Promotion of organic and natural farming
- Mechanization to reduce labor costs

2.4 Diversification of Agriculture

- Encouraging allied sectors: Dairy, Fisheries, Poultry and Horticulture

Diversification ensures multiple income sources and reduces risk.

2.5 Strengthening Rural Infrastructure

- Development of storage facilities
- Cold chains and logistics
- Rural roads and connectivity

2.6 Access to Credit and Insurance

- Expanding institutional credit coverage
- Increasing awareness of schemes like Pradhan Mantri Fasal Bima Yojana
- Promoting financial inclusion

2.7 Policy Support and Institutional Reforms

- Effective implementation of Minimum Support Price (MSP)
- Agricultural marketing reforms
- Land leasing reforms

3. Discussion

Despite strong policy initiatives, the goal of doubling farmers' income faces multiple structural constraints. While programs such as e-NAM and Pradhan Mantri Fasal Bima Yojana have improved access to markets and risk mitigation, their effectiveness is limited by poor awareness, infrastructural gaps, and uneven implementation across states. Moreover, small and marginal farmers, who constitute more than 85% of total farmers, face difficulties in adopting modern technologies due to financial constraints. Climate change further exacerbates income instability, making agriculture increasingly uncertain. Thus, doubling farmers' income requires a **multi-dimensional approach** integrating technology, market reforms, institutional support, and sustainable practices. It is not a

short-term goal but a long-term structural transformation of Indian agriculture.

CONCLUSION

Doubling farmers' income is a critical step toward achieving inclusive growth and rural prosperity in India. While the target set for 2022 has not been fully achieved, it has brought much-needed focus on agricultural reforms.

Sustainable income growth can be achieved through:

- Productivity enhancement
- Market integration
- Diversification
- Risk management

A coordinated effort involving government, private sector, and farmers themselves is essential to transform Indian agriculture into a profitable and resilient sector.

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