



भारतीय कृषि एवं खाद्य परिषद्
INDIAN CHAMBER OF FOOD AND AGRICULTURE

UNVEILING THE AGRICULTURAL DYNAMICS OF UTTAR PRADESH

Initiatives, Challenges and Future Prospects



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The agricultural landscape of Uttar Pradesh, India's most populous state is marked by its historical significance and contemporary challenges. With a substantial portion of its population relying on agriculture for livelihoods, Uttar Pradesh plays a pivotal role in the nation's food security. This report delves into the performance, challenges, and initiatives within Uttar Pradesh's agriculture sector, shedding light on the state's diverse cropping patterns, the importance of agriculture in rural livelihoods, and the government's efforts to drive sustainable growth. Through a comprehensive analysis, we aim to provide insights into the present state of agriculture in Uttar Pradesh.

AGRICULTURE PERFORMANCE

Uttar Pradesh is an agrarian economy where 47% of the population is directly dependent on agriculture for their livelihood. Even though the share of agriculture in overall GSDP has dropped to only 12% in TE 2017-18, agriculture still remains an important sector because the income of a substantial section of the workforce still comes from this sector.

UP is blessed with the fertile Indo-Gangetic plains and, given the size of the state's geographical area, it is a significant contributor to the food security of the nation. About 28% of India's wheat and 12% of rice is produced by the state. Sugarcane is also produced in large quantities, accounting for 44% of the country's total production.

The state's agricultural growth has been lower than the all-India average in most years. In the period between 2005-06 and 2018-19, the agricultural growth rate was 3.0% per annum while the all-India average rate of growth was 3.6% per annum. However, agricultural growth in Uttar Pradesh has been relatively less volatile than that experienced at the all-India level in the past two decades (Gulati, Terway, and Hussain 2021).

AGRICULTURE LANDSCAPE

According to the agriculture household survey conducted by the National Sample Survey Office, agricultural households account for 74.8% of all rural households in Uttar Pradesh. Thus, agricultural activities form an integral part of the livelihoods of most people in rural areas in the state. Also, the Agriculture Census 2015-2016 published in September 2018 reveals that the state has the highest number of agricultural operational holdings (23.82 million out of 146 million total), operating on 17.45 million ha; 92% of operational holdings are small and marginal and account for 65% of the operational area. The average size of an operational holding in the state is estimated at 0.85 ha. Estimates for the marketed surplus ratio in Uttar Pradesh for major commodities in 2014-2015 indicate that for cereals this varies between 48% (barley) and 78.4% (rice). For pulses, it varies between 67% (gram), 76% (mustard), 92% (lentils), and 95% (potato) [ADB Report].

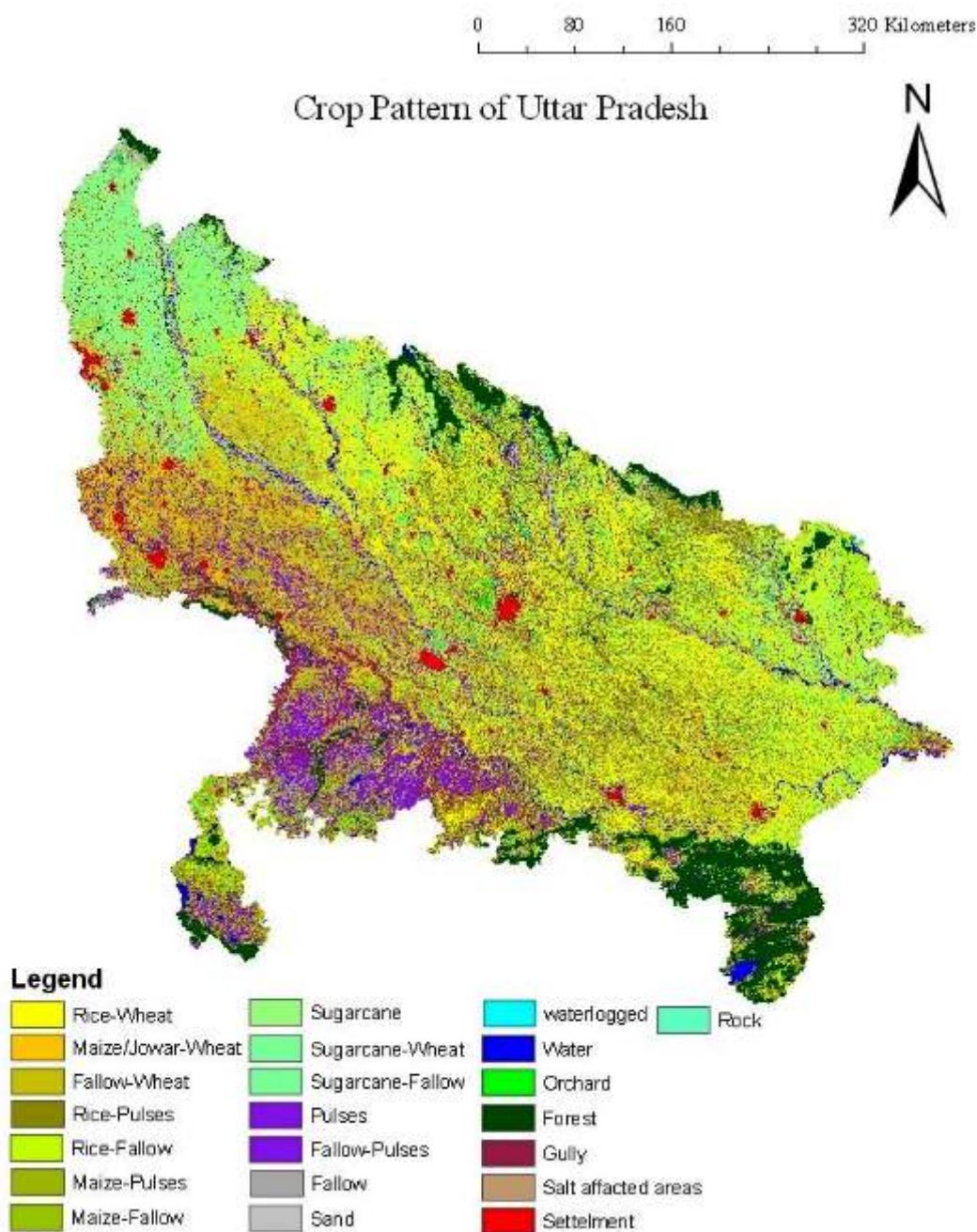
CROPPING PATTERN



Uttar Pradesh agriculture is highly diversified. It produces numerous crops due to its comparative advantage of wide range of agro-climatic variability. It is one of the major food grain producing states in the country. Paddy and Wheat are the most important crops of the State. Maximum area is being used for cultivation of food grains of which only 13.8% is covered under pulses. Approximately 79.8% of the gross cropped area is devoted for the production of food grains. Other important crops grown in the State are sugarcane, potato, mustard, groundnut, gram, pea, and lentil. The sunflower and soybeans have also been introduced successfully in the State during the past. The cropping pattern in various agro-climatic zones and agro-economic regions in the State, however, differ significantly in terms of commodities and seasonal crops. With the development of appropriate technology, suitable for various agro-climatic conditions and the new varieties, coupled with the changing needs of the people, there is a slight deviation in cropping pattern in the State. The area under coarse cereals is gradually decreasing giving way to other remunerative crops. There is a tendency in reduction in the area under oilseed and pulses crops [Goyal, Kumar 2013].

- ❖ **Food grains and Cereals :** Food grains productions of Uttar Pradesh were 11.775 MT in 1950-51 and 42.320 MT in 2011-12. It increased 4.5 times during six decades but share of Uttar Pradesh decreased from 21% to 20% in India's food grains production.
- ❖ **Wheat and Rice :** Wheat and rice are the main food grains of Uttar Pradesh. The production of wheat was 2.721 MT in U.P. and 6.462 MT at all India level in 1950-51. It was 30.292 MT and 94.882 MT respectively in 2011-12. Western region of Uttar Pradesh has more covered area under this crop. Its performance was quite impressive during 1950-5 to 2011-12. The production of rice in Uttar Pradesh increased from about 1.999 MT in 1950-51 to 14.022 MT in 2011-12. Similarly, it went up from 20.576 MT to 105.311 MT during the same period at all India level. This crop covers more agriculture area in the eastern region due to better irrigation facilities and sufficient rainfall.

- ❖ **Pulses and Oil Seeds** : Pulses are the main source of protein for the weaker section of the society in the state of Uttar Pradesh and India, but its production has reduced both in U. P. and India. There are 9 types of Oilseeds. These are also needed for the nutritional requirements of people, but its production has also decreased during the above-mentioned period because of low productivity area under these crops and inappropriate prices.
- ❖ **Potato** : Potato is also a main cash crop of Uttar Pradesh especially in the western region. The annual compound rate of potato was slightly higher after the 1970s; production of this crop increased from 0.641 MT in 1950-51 to 8.497 MT in 2001 in Uttar Pradesh. While it was 1.660 MT and 22.143 MT at all India level during the same period, it increased almost 13 times in both U.P. and India. The share of U.P. in total potato production was constant (7.5%).



INITIATIVES FOR DEVELOPMENT :

The Government of Uttar Pradesh Agriculture Policy 2013 set a vision for the state being the "Granary of the Nation" by ensuring food and nutritional security and improving the quality of village life with inclusive and sustainable growth. To achieve this vision, the target of the Government of Uttar Pradesh is to grow the agriculture sector by 5.1% per year and encourage private sector participation in the field of agricultural research, development, extension, input management, and agricultural marketing. In terms of relevance to improved agricultural value chains, the policy identified the need to (i) increase the income of farmers through agricultural diversification towards high-value activities; and (ii) develop infrastructure facilities in sectors of seeds, fertilizers, pesticides, agriculture implements, extension services, food processing, and marketing by promoting private sector involvement across the agricultural value chain [ADB Report].

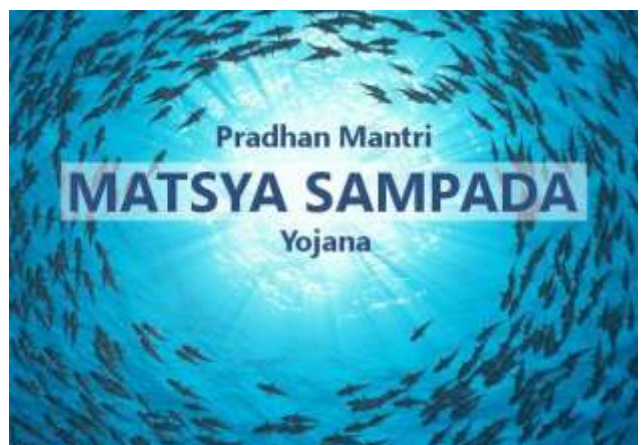
In view of doubling farmers' income by 2022, an outlay of Rs 100 crores has been proposed for Atma Nirbhar Krishak Samanvit Vikas Yojana in the year 2021-22. An outlay of Rs 600 crore has been proposed for the Mukhyamantri Krishak Durghatna Kalyan Yojana. A provision of Rs 700 crores has been made for free water facility to farmers.

ANIMAL HUSBANDRY INITIATIVES

The budget aims at upgrading breed, along with animal health, disease control, livestock insurance, construction of new veterinary hospitals and establishment of cow-protection centers as well as setting up of temporary cow-shelter sites are aimed. Under the Rashtriya Pashu Rog Niyamtran Karyakram, a target has been fixed to eliminate the mouth and foot disease by the year 2030 in the state.

In the fisheries sector, in the financial year 2021-2022, a 10-year lease allocation of 3,000-hectare community ponds owned by gram panchayats and 300 crores fingerlings production/fingerlings distribution from all sources is proposed.

As many as 2 lakh fishermen are proposed to be covered for free Premium under Machhuwa Durghatna Beema Yojna. A provision of Rs 243 crores has been made for the new scheme 'Pradhanmantri Matsya Sampada Yojana'. In Horticulture & Food Processing, a provision of Rs 400 crores is made for the Pradhanmantri Sookshma Khadya Udyog Yojana [Economic Times].



NATURAL FARMING



An action plan of Rs. 197.22 crores for the implementation of natural farming scheme in an area of 38,670 Ha in 35 districts has been prepared as per the guidelines issued by the Government of India for the implementation of BPKP. The action plan has already been forwarded for the approval of the Government of India. In addition to this, 542 enterprising farmers are adopting natural farming on their own in an area exceeding 1000 acres in the State [Niti Ayog].

Recognizing the importance of sustainable agricultural practices, the state of Uttar Pradesh has witnessed a surge in organic farming. Farmers are gradually shifting towards organic methods, minimizing the use of synthetic chemicals and promoting natural alternatives to enhance soil fertility and produce chemical-free crops. Organic farming initiatives, including certification programs and market linkages, have been introduced to support farmers in adopting organic practices, leading to improved soil health and a healthier ecosystem.

Uttar Pradesh's agriculture practices encapsulate a rich tapestry of crop diversity, innovative techniques, and government support aimed at fostering sustainable agricultural growth. From the cultivation of staple crops like rice and wheat to the expansion of horticulture and organic farming, the state showcases a dynamic agricultural landscape.



FARMER PRODUCING ORGANIZATION:

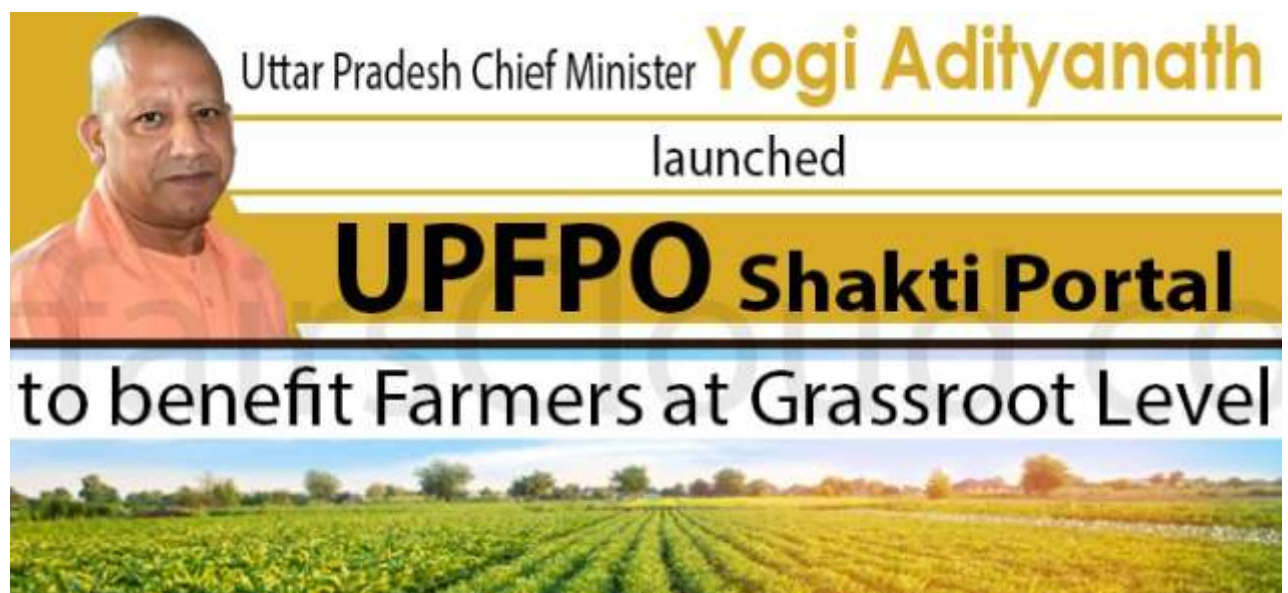
The agriculture ministry is implementing a central sector scheme titled 'Formation and promotion of 10,000 Farmer Producer Organizations (FPOs) with a budgetary provision of Rs 6,865 Crore. Under the scheme, a target of establishing 1,100 additional FPOs has been allocated to the National Cooperative Development Corporation (NCDC), an official statement said. A financial assistance of Rs 33 lakh is provided to each FPO under the scheme. Further, a financial assistance of Rs 25 lakhs per FPO is provided to the Cluster-Based Business Organizations (CBBO).

According to the cooperation ministry, primary Agricultural Credit Societies (PACS) which have a member base of around 13 Crore farmers and are primarily engaged in short-term credit and distribution of seeds and fertilizers-- will now be able to undertake other economic activities as well. Integration of PACS in the FPO scheme will enable them to expand their business in the areas of supply of production inputs; agricultural equipment like cultivator, tiller, and harvester, and processing. PACS will also be able to undertake high-income generating activities like bee-keeping, mushroom cultivation, and others [Outlook].

Uttar Pradesh Chief Minister Yogi Adityanath launched the UP FPO Shakti Portal as part of the Kisan Kalyan Mission.

Farmers will be able to download the necessary documents required to form the organizations directly from the portal. It will contain all information on the FPOs, their key activities, organizational structure, and produces. Each FPO will have its section that will comprise the details of its members, and farmers can download the UPFPO SHAKTI app on android phones for easy access. It will facilitate quicker resolution of disputes; the portal will enable better marketing, provide financial linkages, and focused scheme support. Farmers will get relevant information on specific subjects around one's village/block/district or state. The information will be delivered through texts, emails, or audio/video in a language that one understands.

The state currently has 576 FPOs comprising around 2.15 lakh farmers. Of these, 471 FPOs have registered themselves on the portal.



AGRICULTURE EXPORT POLICY



The Uttar Pradesh Agricultural Export Policy, 2019 has been promulgated with the objective of increasing the export of agricultural products from Uttar Pradesh to enable farmers to get better prices for their products. In the Uttar Pradesh Agriculture Export Policy, 2019, a provision has been made for export clusters to have at least 50 hectares of agricultural land within the development block, eliminating the interconnectivity of 20-20 hectares.

Uttar Pradesh has consistently ranked among the top agricultural exporting states in India. The state's exports primarily consist of rice, wheat, sugarcane products, mangoes, potatoes, pulses, dairy products, spices, vegetables, and floriculture. The data on agricultural exports from Uttar Pradesh highlights a positive trend over the years, with increasing export volumes and revenue. For example, in the case of Basmati rice, the state has witnessed a significant rise in exports, contributing substantially to India's overall Basmati rice exports.

The growth in agricultural exports from Uttar Pradesh has been remarkable. This growth can be attributed to several factors, including improved agricultural practices, increased awareness of global market demands, and government initiatives. Year on year, the state has seen a steady rise in the export of key commodities, such as wheat and rice, which are highly sought after in international markets. This consistent growth reflects the state's commitment to enhancing its agricultural export potential.

The agricultural exports of Uttar Pradesh hold immense potential for further expansion. The state's diverse agro-climatic zones and fertile land provide opportunities for the cultivation of a wide range of crops and commodities. Expanding exports of high-value products such as organic produce, processed foods, and value-added agricultural goods can open up new avenues for revenue generation. Moreover, exploring niche markets and developing brand recognition for Uttar Pradesh's agricultural products can help the state capture a larger share of the global market.

UNDERLYING CHALLENGES IN THE AGRICULTURE GROWTH



Agriculture continues to be a pivotal topic in UP's economic discourse, but there are few policy initiatives to address the challenges. Over the past decade, the state government has predominantly executed centrally sponsored programs, including the National Food Security Mission, Rashtriya Krishi Vikas Yojana, and the National Horticulture Mission. There is a concern that despite the promises made in the state's food processing policy, the actual fulfillment of these promises may be lacking. The

effectiveness of policy implementation needs to be ensured.

Despite the existence of a wide range of diversified programs and initiatives, farmers in Uttar Pradesh still confront numerous challenges. Here are some of the key difficulties they encounter:

- ❖ **Inconsistent Procurement** : Farmers often struggle to realize minimum support prices (MSPs) for crops like wheat and paddy. The procurement of these crops fluctuates significantly from year to year, making it difficult for farmers to predict their income.
- ❖ **Lack of Information Technology Adoption** : Uttar Pradesh lags behind states like Madhya Pradesh in adopting information technology for procurement operations. Technologies like SMS advisories and farmer registration systems, which help streamline procurement, are not as widely implemented.
- ❖ **Limited MSP Coverage and Ineffective Procurement Agencies** : The lack of MSP support extends to farmers growing crops other than wheat and paddy, impacting those cultivating various crops. Additionally, the state's procurement agencies, particularly in regions like Bundelkhand, have not been proactive in conducting price support operations for pulses and oilseeds. This situation leaves many farmers without access to the benefits provided by MSPs for these crops.
- ❖ **Regional Disparities in Irrigation Coverage** : While some regions like western, central, and eastern zones have made satisfactory progress in irrigation, others like Bundelkhand lag behind with less than half of the coverage. Addressing these disparities and ensuring equitable access to irrigation resources is crucial.
- ❖ **Low Income Generation** : While Uttar Pradesh is a significant contributor to horticultural produce like potatoes, peas, mangoes, watermelons, and amla, it struggles with lower agricultural productivity. Despite being a major player in food grain production, farmers in the state often face the challenge of receiving inadequate prices for their agricultural products, resulting in reduced income from their farming endeavors.

Way Forward:

While Uttar Pradesh's agriculture sector faces challenges such as fluctuating growth rates and the need for diversification, it remains a cornerstone of the state's economy and so, here are certain are policy recommendations that can boost the agricultural sector in Uttar Pradesh.

- ❖ Encourage farmers to diversify their crop choices beyond traditional food grains to include high-value horticultural crops. Promote the cultivation of fruits, vegetables, and other cash crops to increase income opportunities for farmers.
- ❖ Improve the implementation of MSP operations for crops like wheat and paddy. Ensure that farmers receive MSPs for their produce promptly and consistently.
- ❖ Promote the adoption of modern agricultural practices, including the use of technology, high-yield seeds, and efficient farming techniques to enhance agricultural productivity.
- ❖ Invest in farmer education and training programs to equip them with the knowledge and skills required for sustainable and efficient farming.
- ❖ Encourage greater participation of farmers in the electronic National Agriculture Market (e-NAM) platform to facilitate transparent and efficient trade of agricultural produce. Ensure that farmers benefit from fair pricing and reduced market inefficiencies.
- ❖ Encourage investment in food processing units by offering subsidies and incentives to modernize and expand food processing infrastructure.
- ❖ Invest in rural infrastructure, including roads, storage facilities, and marketing networks, to facilitate the efficient movement of agricultural produce and reduce post-harvest losses.
- ❖ Prioritize areas with low access to irrigation infrastructure for investment in water management projects. Encourage the adoption of water-efficient technologies to optimize water use, especially in water-scarce regions.
- ❖ Strengthen existing FPOs and establish new ones to empower farmers and improve their collective bargaining power. Provide FPO members with training in business and marketing skills to help them negotiate better prices for their produce
- ❖ Allocate resources to agricultural research and development, especially in areas like crop resilience to climate change. Foster collaboration between research institutions, universities, and the agricultural sector to ensure the timely application of research findings on farms

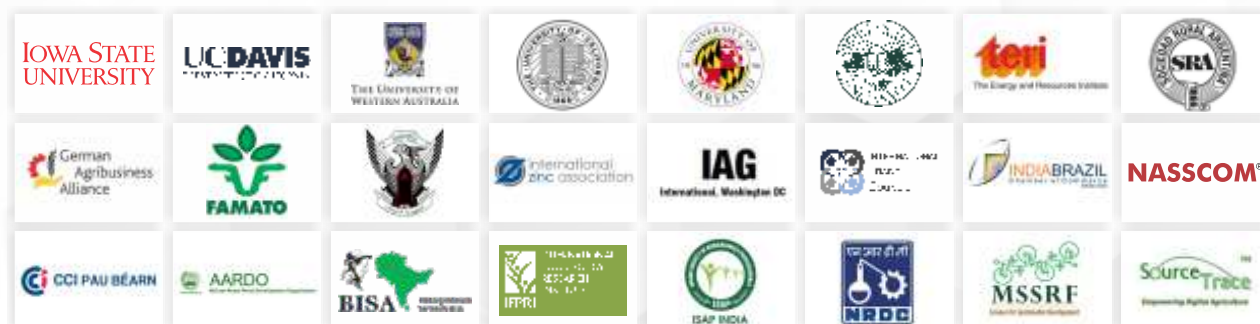
Uttar Pradesh's journey to becoming the "Granary of the Nation" holds promise, and with concerted efforts, it can further strengthen its contribution to India's agricultural landscape.

ABOUT ICFA

The Indian Chamber of Food and Agriculture is the apex body in India, working on business, policy, and development agendas and serving as a global platform for trade facilitation, partnerships, technology, and agribusiness services. A proactive approach helps ICFA discern critical challenges emerging in Indian agriculture and create opportunities for development, value addition, and international trade to accelerate growth in the food and agriculture sectors globally. ICFA, with more than 25 industry Working Groups and sector-specific Business Councils, represents the interests of key stakeholders at the national level and, through its international platforms and partnerships, facilitates India's global engagement in the food and agriculture sectors.

For enhanced sustainability, food safety, and quality standards, ICFA has taken up the Agriculture Stewardship Program by launching the Healthy Food Initiative program and the Good Agriculture Practices (GAP) project. In a short period of more than seven years, the Chamber has signed MoUs with the ICAR, APEDA, NRDC, RAKEZ Group, ASYAD Group, University of California, University of Maryland, Michigan State University, Iowa State University, Western Australia University, German Agribusiness Alliance, Borlaug Institute for South Asia, African Asian Rural Development Organization, NASSCOM, Sociedad Rural Argentina (SRA), FAMATO, CCI Pau Béarn, IFPRI, etc. Through international partnerships, ICFA envisions mobilizing technologies and investments that will catalyze agribusiness and agri-startups.

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