

Regulations

Vs.

Voluntary Initiatives

Indian Farmers' Perspective

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FARMERS PERCEPTIONS ON FBMPs

- High cost of fertilizers especially of P & K and Micro-nutrients;
- Majority of the farmers do not use balanced nutrients – over fondness for N;
- Farmers use fertilizers mainly for irrigated and cash crops;
- Dependence on credit from Banks / Dealers / Moneylender for purchase of fertilizers;
- Inadequate soil testing facilities and extension services;
- Low farm incomes due to non effective output price support system.

NSSO Survey in 2003 concluded that 27% farmers found agriculture a non-profitable activity and as many as 40% farmers wanted to quit farming as a profession.

Decline in Gross Financial Returns

A. Prices of Fertilizer Nutrient (Rs./Kg)

Nutrient	1991-92	2004-05
N (based on Urea)	6.65	10.50
P ₂ O ₅ (based on DAP)	7.57	16.22
K ₂ O (based on MOP)	2.83	7.43

B. Output Prices (Rs./kg)

Crop	1991-92	2004-05
Paddy	2.30	5.50
Wheat	2.50	6.40

C. Gross Financial Return (Rupees earned per rupee of nutrient)

	Paddy		Wheat	
	1991-92	2004-05	1991-92	2004-05
N (based on Urea)	4.15	5.02	4.51	4.39
P ₂ O ₅ (based on DAP)	2.13	1.90	2.31	1.66
K ₂ O (based on MOP)	4.06	2.96	4.42	2.58

(Source : Task force on Balanced use of fertilizers 2005)

OPTIMUM MIX

Government Responsibility

- Ensuring adequate availability of fertilizers by augmenting indigenous production/timely import;
- Affordable fertilizer prices for farmers by extending nutrient based subsidy including flexibility for products fortified with secondary/micronutrients and other value added products supported by financial services like credit and insurance;
- Conducive environment for research and development of new and efficient products including customized bio-fertilizers and micro-nutrients for balanced use through extending nutrient based pricing/subsidy;
- Soil fertility maps and issue of soil health cards to farmers;
- Augmenting irrigation / micro-irrigation facilities;
- Ensuring effective quality control of agricultural inputs;
- Making agriculture remunerative
 - Market Reforms
 - Value Addition
 - Risk Management
- Capacity building of farmers through training, demonstration and extension.

OPTIMUM MIX

Industry Responsibility

- Development of new customized products for soil specific nutrient management;
- Ensuring quality of products;
- Augmenting storage capacity and dealer network in consumption areas;
- Customer support services (soil testing, package of practices, balanced fertilisers, IPM);
- Farmers training and extension services for adoption of BMPs.

OPTIMUM MIX

Farmers Responsibility:

- Higher investment for land improvement Micro-irrigation and adoption of high yielding variety;
- Diversification of agriculture production;
- Adoption of BMPs for improving sustainable crop yield and incomes.

80% of 110 million farm families in India have small and marginal holdings 60% of which are in rain-fed areas

Improving Economics of FBMPs

The biggest push in adoption of FBMPs would come from making agriculture remunerative through :-

- Better financing of agriculture;
- Effectively Managing the risks in agriculture;
- Introducing Market and Trade reforms and;
- Increasing diversification and value addition in agriculture sector;

VOLUNTARY INITIATIVES ONLY

- NO REGULATION ON USE OF FERTILISERS
 - ENFORCEMENT
- COST IMPLICATIONS
- INFRASTRUCTURE

