

EDITORIAL

Greetings!!!

Indian Agricultural industry, with its allied sectors, is undeniably the largest livelihood provider in India, more so in the vast rural areas. It also contributes a noteworthy figure to the Gross Domestic Product (GDP). The high proportion of agricultural land, diverse-agro climatic conditions for cultivating different crops are some of the factors favoring agriculture in the country. Schemes such as *Paramparagat Krishi Vikas Yojana (PKVY)* are helping in developing organic farming by promoting farmers to produce commodities free of pesticide and residue.

The sudden breakout of pandemic Novel Coronavirus resulting in continuous lockdown for a few months have adversely affected the Indian economy due to shutdown in most industries. With agriculture forming nearly 15-18 percent of Indian GDP over the last few years, its importance in providing a cushion to the Indian economy would gain even more relevance this financial year, as growth in the other sectors has been weakened due to Covid-19. Firmness in agro prices could boost the production and GDP further. The year 2020-21 could well be the year for the Indian Agricultural sector.

The SDGs as specified in the 2030 Agenda for Sustainable Development aims at protecting the planet, ending poverty and hunger, sustainably managing natural resources, building global partnerships, reducing inequality, and ensuring prosperity and well-being for the global population by 2030. The agricultural sector, being at the crux of this agenda, can take an active role in achieving the SDGs.

The government has passed few ordinances in the recent past to liberate farmers from the restrictive marketing regime that has managed the marketing of agriculture produce for decades. This sweeping stroke promises to bring the entire world of farming technology, post-harvest management and marketing channels at the doorstep of the farmer. The national vision of the farm sector is to double the

income of farmers by 2022. This move is revolutionary since income is intrinsically linked to how the markets of the harvested produce function.

First, ***Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020*** that intends to create an ecosystem where the farmers and traders would enjoy freedom of choice of sale and purchase of agro-produce. It would also promote barrier-free inter-state and intra-state trade and commerce outside the physical premises of markets notified under State Agricultural Produce Marketing legislations. The farmers will not be charged any cess or levy for sale of their produce and will not have to bear transport costs. The Bill also proposes an electronic trading in transaction platform for ensuring a seamless trade electronically. In addition to mandis, freedom to do trading at farmgate, cold storage, warehouse, processing units etc. Farmers will be able to engage in direct marketing thereby eliminating intermediaries resulting in full realization of price.

Again, ***The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020*** has been passed to empower farmers for engaging with processors, wholesalers, aggregators, wholesalers, large retailers, exporters etc., on a level playing field. Price assurance will be given to farmers even before sowing of crops. In case of higher market price, farmers will be entitled to this price over and above the minimum price. It will transfer the risk of market unpredictability from the farmer to the sponsor. Due to prior price determination, farmers will be shielded from the rise and fall of market prices. It will also enable the farmer to access modern technology, better seed and other inputs, reduce cost of marketing and improve income of farmers. Effective dispute resolution mechanism has been provided with clear timelines for redressal. Emphasis to be given on improvement of research and technology.

The convergence of government policy, technology, and consumption



has led to the emergence of many agro companies. Together, these agrotech startups are working to enhance crop output, increase farmer incomes, better farm management, and drive efficiencies in the farm-to-fork value chain. Such startups who are starting new enterprises often face difficulty in raising investment capital. The CMAs with their professional expertise can negotiate with banks and other agencies in order to get the assistance they need to establish their new enterprise. Also, the CMAs can apply Value Chain Management technique to facilitate management in minimizing resources and accessing value at each chain level, resulting in optimal process integration, decreased inventories, quality service and enhanced customer satisfaction. Further, Organic food, which is gaining immense popularity these days for its health and environmental benefits; even here CMAs are competent enough to advise suitable pricing strategies for enhancing marketability of the organic products and also apply Cost Management techniques for cost control and cost reduction to increase productivity and consumerism.

This issue presents a good number of articles on the cover story "*Agricultural Costing & Pricing*" written by distinguished experts. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers would enjoy the articles.

May the light that we celebrate at Diwali show us the way and lead us together on the path of peace, prosperity and social harmony. Wishing everyone a very Happy Diwali ahead!!!