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Food security an integral way to Standardize Agri Sector

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Food security is all about ensuring physical, social and economic access to sufficient, safe and nutritious food to people so that their dietary needs and food preferences for an active and healthy life are met. It is critical as over the coming decades, changing climate, growing global population, rising food prices, and environmental stressors will have a significant yet highly uncertain impacts on food security.

Food Security is also an important ingredient for sustainable economic growth. Its role in the standardisation of agriculture sector contributes significantly to the economy of a nation. This is particularly true for country like India where the agriculture sector continues to play a substantial role in the growth of socio-economic sector despite a decline in the contribution to country's GDP. Currently, it is the means of living for almost two-thirds of the employed class contributing to 18 percent (2014) of India's GDP.

Our country has achieved self-sufficiency in food grain production. However, we still have miles to go in ensuring food security. Agriculture sector which holds the key to ensuring food security continues to grapple with the problem of low productivity and food wastage. These are primarily connected to financial, managerial and technical limitations in harvesting techniques, storage and cooling facilities in difficult climatic conditions, infrastructure, packaging and marketing systems. Data released by the food processing ministry in 2016 indicates a harvest and post-harvest loss of Rs. 92,651 crores in agricultural produce. Such a loss for a country that is placed 67th in a list of 80 nations worst affected by hunger is simply unjustifiable.

The above numbers assume significance in the wake of recent projection which says that world population is projected to grow to 9.6 billion people by 2050 and India's contribution to the global population is expected to cross 1.6 billion people during the same period. This calls for adaptation of strategies and policy responses to shield agriculture sector from uncertain developments, increase productivity to feed the ever-growing population and redressal of the problem of food wastage that poses a serious challenge to the equitable storage and distribution of food items. Other options may include providing institutional support to the sector through food trade, post-harvest food processing, handling water allocation, land use patterns, and ensuring food prices and safety.

Our country has made some significant strides towards ensuring food security for all. To further the agenda of ensuring food security, government is working towards creating an ecosystem where improvements in farm inputs like seeds, fertilizers and harvest, post-harvest practices like transportation and warehousing complement each other all along the way to minimise wastage.

The government is taking measures to boost private investment in agri-warehousing segment, promoting food processing sector through SAMPADA scheme besides creating the Electronic National Agriculture Market (eNAM) - a unified national market for agricultural commodities by networking existing Agriculture Produce Marketing Committees (APMCs) and promoting scientific warehousing management to improve availability of food items. All these initiatives are contributing to the goal of attaining food security by containing food wastage, maintaining freshness and retaining the nutritional quality of stored goods, especially fruits and vegetables.

On the technology front private sector that has taken the lead in adopting the latest scientific methods to deliver significant gains in the fight against food wastage. Private warehouse management firms are developing algorithm based series of processes, audits and are undertaking real time tracking through geo-fencing, bar-coding and SAP solutions to reduce post-harvest losses to as low as 0.5%. This is a significant achievement for a country like India where upto 10% of food produced is wasted.

These initiatives have a domino effect on the agriculture sector due to the vital linkage and synergy between agriculture and the industry. Food processing sector on the one hand is ensuring remunerative price to farmers while modern warehouses are giving farmers an opportunity to earn right price for their produce by giving them an option to store their product for a longer duration without compromising on quality. These measures are also creating a favourable trade environment for Indian agriculture sector in domestic and international markets besides encouraging farmers to diversify their produce and even go for multiple crops in a year as per market demand.

The above trend has been strengthened by the government's decision to support agri-focused NBFCs which has enabled farmers to monetise their produce and gain access to finance. Agri-NBFCs are providing finance on a diversified basket of agriculture commodities against warehouse receipts (WR) to farmers, Joint Liability Groups (JLGs), Small & Medium-sized Enterprises (SMEs), commodity traders, food processors, exporters, importers and other agri-intermediaries across the country. It is anticipated that due to the focused and specialized nature of the business, agri-NBFCs could give much needed institutional support to agriculture sector to thrive and create a niche for them in lending to the entire value-chain of the agriculture thereby encouraging farmers to take up agriculture in a more structured manner.

We need to de-risk agriculture sector to realise its full potential in the sustainable economic growth of the country and improve food security. With government's focus on fostering an enabling environment for responsible private investment and placing greater attention on the quality of agricultural investment preparation and implementation, India is all set to strengthen the confidence of investors and other stakeholders in the agriculture sector and in the process opens the door for a more streamlined and standardised sector.

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