

Reducing post-harvest losses: Budget focuses on improved infrastructure for crops growers

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Updated - August 18, 2024 at 10:00 AM.

A major portion of the Budget's funds are directed towards improving production, storage, and marketing

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In developing countries, the Food and Agriculture Organization of the United Nations (FAO), estimates that 30-40 per cent of total production can be lost before it reaches the market. If we talk about India specifically then a 2022 government-backed study showed that approximately 5-13 per cent of fruits and vegetables were lost between harvesting and consumption. For the other crops, including oilseeds and spices, the loss ranges from 3-7 per cent, reducing the benefits India ought to have enjoyed from its overall produce.

The causes for these losses include inadequate storage facilities, poor infrastructure, supply chain inefficiencies, and logistical challenges. Although the Government of India has taken significant measures in the past years to help remedy these drawbacks, the problems persist, indicating that more serious actions are needed to halt this disquieting trend. Rising to this call, several private warehousing companies, of the over 570 that exist in India, are investing heavily in R&D to develop an end-to-end support system aimed at mitigating this problem.

Deficit capacity

India faces a significant deficit in its storage capacity. According to the FAO Statistical Data of 2021, the country's foodgrain production was 311 million tonnes (mt) and storage capacity stood at only 145 mt — a shortage of 166 mt. Considering India's tropical weather conditions, it is imperative to put in place an adequate infrastructure of cold storage facilities to prevent the post-harvest loss of perishable food commodities.

India suffers from a shortfall of 126 lakh tonnes of cold storage capacity as per the estimates of the National Centre for Cold Chain Development (NCCD). Another challenge is the geographical disparities and uneven distribution of storage facilities across the country. This limits the farmers' access to the right facility. Besides, poor storage quality, lack of scientific knowledge, and weak technological implementation cause a significant amount of post-harvest loss.

Production clusters for horticulture crops

The government has taken several initiatives in the past few years for the development of agri-infrastructure needs. In fact, this year's Budget promises significant investment in the agriculture sector. The sector has been allocated ₹1.52 lakh crore of funding with a major portion of the funds directed towards improving production, storage, and marketing.

Additionally, to strengthen the vegetable supply chains, the Budget proposes the creation of large-scale production clusters near major consumption centers. This initiative aims to make the supply chain system more streamlined and efficient by reducing transportation and distribution costs. Improved infrastructure will help reduce post-harvest losses, which remains a major concern of the sector, especially for vegetable growers.

Leveraging technology

We are living in a digital age where “Phygital“ is the key to achieving significant growth of the sector. So, focusing on the development of both physical and digital infrastructure, and combining them effectively, will contribute largely to the development of the sector. The Budget 2024 announcements indicate a strong focus of the Government of India to leverage technology in the agricultural sector. Enhancing investment in digital infrastructure and supporting agri-tech innovations will lead to increased productivity, sustainable outcomes, and improved financial condition of the farmers.

At the same time, the government’s encouragement to private players and agri start-ups, spurring them to invest heavily in the sector can be rewarding for the farmers and the entire ecosystem. Technological innovations like an application for checking the quality of the grains using one’s handphone, a digital directory of various intermediaries or dealers, and accurate weather forecasts, are some moves that can help improve decision-making and operational efficiency for farmers. Going ‘Phygital” has the potential to minimise waste and create better selling options for farmers. Initiatives such as these will also trigger greater job opportunities in the sector for the rural population leading to the overall growth of the bucolic economy.

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