FIRST ANNOUNCEMENT

Agricultural Economics Research Association (India)

20th Annual Conference

Topic of Conference

Agricultural Inputs and Services Delivery System for Accelerating Growth and Improving Farm Income

Dates of Conference

9-11 October, 2012

Venue of Conference

Division of Agricultural Economics
Indian Agricultural Research Institute, New Delhi

Organizers

Indian Agricultural Research Institute, New Delhi
National Centre for Agricultural Economics and Policy Research, New Delhi
Indian Agricultural Statistics Research Institute, New Delhi
Agricultural Economics Research Association, NASC Complex, New Delhi

Outlines of AERA Conference

Agricultural Inputs and Services Delivery System for Accelerating Growth and Improving Farm Income

1. While Indian economy has been growing at a rate of around 8 per cent, the average agricultural growth remains lower than the target and is not even half of the growth in non-agricultural sector. The average agricultural growth has not only been lower during the past 5-6 years, but it has become more volatile on account of several factors. This has adversely affected the income and livelihood security of the poor farmers and the disadvantaged, especially in the marginalized environments, showing not much relief in agrarian distress. The need for a major improvement in agricultural productivity and income and livelihood security of farmers was never felt as acute as it is now. There are several pathways to accelerate agricultural growth and enhance livelihood of the poor. The important ones are: (i) yield-enhancing, and cost and risk-reducing technological changes in crops and animals and management of natural resources; (ii) diversification of production portfolio towards high-value commodities; and (iii) development of rural non-farm sector. Overarching factors in the success of these pathways are the institutions of input and service delivery. Unfortunately, the performance of the agricultural input and service delivery systems is rated to be disappointing, particularly for the smallholders in marginal and disadvantaged areas in terms of reach, access and competition. Therefore, innovations are needed for: (i) efficient and coordinated service delivery systems, (ii) aggregation of farmers' input and service needs and sale of farm produce, (iii) fine tuning of the delivery system to the actual condition of farmers by reducing transaction costs, and (iv) establishing and enforcing clear norms of transparency and accountability at all levels of the delivery system.

   The structure of Indian agriculture is transforming from subsistence towards commercialization. As back as 2004-05, the total Indian agri-business was worth at least of Rs 11.43 trillion and it must have increased substantially by now. Backward and forward linkages between agriculture and industry are increasing. Farm production, processing, and trade are getting increasingly coupled. The requirements for inputs and services are different for subsistence and commercial agriculture and are more varied and demanding in commercial agriculture. Farmers however face difficulties in accessing coordinated supply and services. It should be noted that higher levels of production require varying amounts of purchased seeds, fertilizers and/pesticides, equipments, together with credit, business and technical

skills. The major challenges before input and service delivery systems include (i) low level of development of service delivery system, (ii) poor competition, (iii) thin market, (iv) high transaction cost, (v) interlocked market, (vi) poor quality, (vii) missing mechanism to check standards and adulterations, (viii) timely availability of inputs and services, (ix) packaging, transport and other inputs, etc. Input services like custom hiring of farm machinery and equipments, etc. require a different approach than physical inputs like seed and fertiliser.

Farmers, particularly small and marginal, face high costs in accessing input and services, poor physical and informational communication systems and low density of economic activity in the remote rural areas. Linkages which allow farmers to simultaneously and reliably access a range of resources and services– purchased farm inputs, seasonal and medium/long term finance, information and skills (for technology, market and business activities) and output markets– are critical for survival and prosperity in the increasingly competitive agri markets.

2. A number of problems are reported to be behind the cost-effective commercial delivery of the inputs and services to farmers. They include public good problems like service providers failing to recover full cost of services delivered, strategic default involving deliberate failure to provide the service as per the contract, and commitment failure arising from the complementarity between different support services like fertiliser demand is linked to credit demand. These problems directly reduce the incentives to the service providers for commercial service delivery, especially to small farmers and/ or raise the costs of such delivery. However, firms indulge in different diversification and prioritization practices aiming at cost recovery for services.

3. Different types of coordination may contribute to solving the commercial inputs supply service development and delivery problems. The basic types of coordination include: vertical coordination along a supply chain, horizontal coordination between competitors performing the same function in a supply chain, and complementary coordination between providers of complementary services in a supply chain. Coordination mechanisms may be soft (voluntary, if incentives to invest exist for the players) or hard (enforced by some strong central coordinating body like the State, depending upon its interests and capability). Generally, for staple food commodities with very low processing requirements, buyers have no incentives to invest in inputs and services delivery system. For cash crop and high-value commodities, it is reported that incentives to buyers to invest in inputs and services delivery system exist in using different types of coordination mechanisms singly or in combination.

4. Coordination between farmers and inputs and services providers to gain economies of scope across provision of different services and to address opportunities and challenges specific to different types of commodity and product supply chain becomes important. Examples of service provider coordinating institutions include contract farming, commodity chain support, and decentralized agricultural development planning, etc. Farmer organizations represent horizontal coordinating institutions.

5. In the context of investment in inputs and services delivery system, two phases of agricultural development policy are discernible, state- and then market-led development. In the first phase prior to 1991, government promoted state interventions to support markets and service development and delivery. In the second phase beginning with economic reforms in 1991, emphasis switched to reducing the role of the state and was open to involve the private sector by relying on liberalized and open domestic markets. This phasing and paradigm shift is relatively more visible and intense in cash and high-value crop/commodities than in staple food cops/commodities.

6. In the light of the above concerns, the Agricultural Economics Research Association (AERA) invites research contributions for discussion at its Annual Conference 2012. The paper-writers may cover the following areas of inputs and services:
   (i) Input delivery systems for seeds and planting materials, fertilizers including bio-fertilizers and manures, pesticides including bio-pesticides, irrigation, farm machinery and equipments, feeds and fodders, and livestock medicines and vaccines.
   (ii) Services delivery systems associated with agricultural inputs like soil testing, pest and disease diagnostics, input quality (seed, water, fertilizer, pesticides, etc.), input markets and trade, grades and standards, agro-met services, animal breeding and health services, credit and risk management, custom-hiring of machines and equipments, research and extension activities, price forecast and market intelligence, real time information to farmers, etc.

   The focus of the analysis and discussion should be on:
   (i) Performance of input and service delivery systems in terms of their structure and conduct and synergy in different production and economic environments (staple food agriculture, cash and high-value agriculture, etc.); institutional and policy constraints; and suggestions for their improvement
   (ii) Innovative models of input and service delivery systems (contract farming, cooperatives, mobile services) initiated by public as well as private sectors (agribusiness firms, NGOs and service providers) to enhance farmers' access

to inputs and services, their complementarities or synergies in delivery of inputs and services; and farmers' willingness to pay for quality services

(iii) Impact of different input and service delivery systems on farmers' welfare. This may be assessed focusing on efficiency (increase or decrease in costs, prices associated with search of inputs and services, production costs, output prices; timeliness, quality and adequacy of inputs and services); and equity in terms of participation of small-scale producers and gender parity.

The papers should make an attempt to sensitize researchers, policy makers and others by suggesting policies, strategies, institutions, programmes, measures to transform the input and the services delivery systems most suited to the present and future needs of Indian agriculture, particularly in the light of increasing competitiveness, raising concerns of food and nutritional security and environmental quality, and improving farm family incomes.

Submission of Papers:

Research papers (in duplicate) typed in double space and accompanied invariably by an Abstract of the paper in not more than 200 words may be sent to the **Managing Editor AERR, National Centre for Agricultural Economics and Policy Research (NCAP), Dev Prakash Shastri Marg, Pusa, New Delhi– 110 012 before 31st July 2012.** The soft copies must be sent at aeraindia@gmail.com

The length of the paper should not exceed 15 pages including tables, figures, annexures, etc. in double space. A few selected papers and abstracts of the recommended papers will be published in the Conference issue of AERA Journal, Agricultural Economics Research Review.

Dr D.T. Doshi Awards

It may be noted that **two prizes (1st and 2nd)** instituted by Dr D. T. Doshi Foundation, Pune, will be awarded to the best presentations of submitted papers (papers submitted only in abstract form are not eligible) during the annual conference. The presentations should preferably be in power point for the duration of 7 minutes.

Dr Doshi Foundation also awards **two prizes** every year to the best articles published in the *Agricultural Economics Research Review*. Members are advised to take advantage of these initiatives.

About the Association

Agricultural Economic Research Association (India), a registered society which came into being in 1987, has on date more than 650 life members , 40 ordinary members, 115 institutional members and 21 honorary life members from all over the country and aboard. The mandate of the association is to promote the study of agricultural economics in particular and socio-economic problems in general. The Association has been regularly publishing a six monthly research Journal "*Agricultural Economics Research Review*". Since 1998. Besides refereed research articles, abstract of M.Sc. and Ph.D. theses in agricultural economics are also published in the Journal. The Association has been successfully organizing national conferences regularly on topical policy issues , the proceedings of which are published. The association undertakes sponsored research studies also. Over the years, the Association ahs attained a wide visibility and professional credibility. The official journal of the Association, namely, *Agricultural Economics Research Review* has been well rated by National Academy of Agricultural Sciences , New Delhi

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