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## NATIONAL DIALOGUE

# INDIAN AGRICULTURE TOWARDS 2030

### Pathways for Enhancing Farmers' Income, Nutritional Security and Sustainable Food Systems

**Thematic Session: STRUCTURAL REFORMS AND GOVERNANCE**

**Discussion Paper: Structural Reforms and Governance Issues in  
Indian Agriculture**

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**Abstract:** This discussion paper deals with key structural issues facing Indian agriculture since Independence. In the context of federal fiscal relations as well as shared responsibilities towards agricultural development, it examines spending on capital formation and subsidies in agriculture vis-à-vis other economic sectors. It then deals with reforms in the subsidy regime (relating to both inputs and output) and the implications of the agri-marketing laws enacted in 2020. The agriculture sector (including irrigation) has always received relatively low priority in public expenditure. Moreover, the spending bias has been more towards input subsidies rather than on investment, which may affect agriculture growth in due course. The institutional, price and legislative reforms and structural changes identified in the paper suggest that the agricultural sector requires handholding. The Government of India and state governments should work in tandem to accelerate rural infrastructure, target specific regions as well as small and marginal farmers for support, and create a competitive environment that stimulates investment, productivity and marketing efficiency. States should also be given more flexibility in drawing up action plans relating to the production and marketing of produce to encourage farmers and the private sector. A greater role for existing institutions in coordination and ensuring effective implementation of policies is called for.

**Keywords:** structural reform, governance, subsidies, agri-marketing laws, investment

The full text of the paper is available on the NITI Aayog website or you may contact FAO at [fao-in@fao.org](mailto:fao-in@fao.org) for a soft copy. Your feedback is welcome; you may send your comments on the discussion paper to FAO at the above email id.