

## Harnessing ICT for Sharing Benefit with Primary producers

As the processing units become more organised and IT savvy it is possible to track each and every receipt. In any case for several product categories this is being maintained for reasons of quality

SANJEEV CHOPRA

When your columnist was the IT Secretary for Uttarakhand in North of India, (then Uttaranchal), he had always argued that unless the stakeholder departments 'mainstream' IT in their day to day operations, it would not be possible for IT to make any real impact. It became all the more clear when it comes to implementing special programmes which require precise tracking and benefit sharing arrangements. The proposition being made in this column is that benefit sharing of the 'value addition' done by agricultural exports can be transferred to the primary producers only by having a well designed IT system in place.

The ideas expounded in this column emerged at a seminar organised by the Kolkata Centre of CUTS International, an organization working in the area of consumer awareness and protection, trade and globalization issues, and the impact of WTO on the primary producers of interna-

tionally traded goods and commodities with special focus on agro products and handloom workers.

The subject under discussion was the impact of National Foreign Trade Policy on the livelihoods and incomes of the primary producers, and was under the GRANITE (Grassroots Network on the Impact of International Trade on Livelihoods and Employment). Fortunately, for your columnist, the project is underway both in Uttarakhand and West Bengal. The West Bengal project has produced some empirical studies, and it would be interesting to see how the ground level data compares with that from Uttarakhand.

My distinguished co-panellist was the Joint Director General of Foreign Trade responsible for trade promotion activities and the implementation of ASIDE (Assistance to States for Infrastructure development for exports) in the Eastern region, Sanjeev Nandwani. He highlighted the macro

aspects of trade policy in general, and also in the context of agricultural products. The fact is that gems, jeweller and software are the main stars on the Indian export firmament, and it is only recently that some attention has been given to agricultural exports. Because we are a nation which is among the top five producers as well as consumer of several agricultural commodities, our position on agro exports is often ambivalent. Thus when the farmers want to export wheat and rice, the government wants to ensure that the consumers do not have to pay too heavy a price. There are also times, when farmers clamour for the imposition of countervailing duties on a wide range of commodities - ranging from apple juice concentrate to

tomato pulp/puree, but the foreign trade policy is not very clear about how and when this should happen. To that extent, the farmers have always pointed out that the Foreign Trade Policy does not really take their concerns into account.

In the course of discussions, this columnists attention was drawn to the recently introduced scheme of special



**The proposition being made in this column is that benefit sharing of the 'value addition' done by agricultural exports can be transferred to the primary producers only by having a well designed IT system in place.**

incentives to export of agricultural commodities and products made by rural artisans. Under this scheme, the exporter will get a reimbursement of 7.5% of the value of the exportable commodity. This incentive will however be given only when the export has been made. This columnist suggested that at least fifty percent of this amount should go back to the primary producer. After all, if the primary producer has no stake in the transactions

after he has sold the produce, the National Foreign Trade Policy means nothing to him.

## IT and Incentives for Primary Producers

There will of course be some initial difficulties in implementing the scheme. The first of these relates to tracking the producer, and determining his share. As the processing units become more organised, and IT savvy, it is possible to track each and every receipt. In any case, for several product categories, this is being maintained for reasons of quality, and to meet the norms of the importing countries. The second relates to monitoring of the scheme, and a guarantee that the incentive will actually be transferred to the farmer. This columnist feels that this is best left to voluntary compliance, coupled with extensive information about the scheme, and some random checks with exemplary punishment in case of default.

The first advantage is that the farmer will begin to get involved with the export units, and will prefer to improve his product quality so that the produce becomes an export consignment. Secondly, this will actually lead to a transfer of resource to the rural areas, and strengthen the capitalization of primary producers. Thirdly, and not insignificantly, there will be an actual documentation of the primary producers who are engaged in the production of exportable commodities, and it would be easier to focus extension activities among them. They will also be the

more progressive farmers, and NABARD sponsored Farmers Clubs would also be anchored with the group that is involved in export, because farmers growing exportable commodities would be more amenable to institutional interventions than their (bucolic) colleagues.

The other point made by this columnist was that his process of consultation has to become much wider. A few weeks ago AgriMatters had drawn the reader's attention to the problems faced by the sesame farmers when all oilseed export (including palm oil and sesame) was banned by the Union government without any reference to, or consultation with the state governments. True, concessions were given subsequently when the state governments wrote the protest letters - but the point is, why not involve stakeholders before the problem, rather than reacting to the problem once it has crossed a certain level. If consultations with state governments is difficult and time consuming, at least the commodity boards, export councils and the farmers groups engaged in production should be asked to give their views. Else the National Foreign Trade policy is a policy of, by and for the exporters only ....

It is true that an exporter adds value in a way that is quite different from a normal consolidator, or middleman, but the question is - should the value thus created be shared equitably, or cornered by the exporter alone. If we

take a long term view, then the aspect of co-operation will rise to the fore, because where such trust is lacking, export orders may flounder if there are changes in market prices because of extraneous factors. Agro processing and export units will find it easier to build local alliances, create confidence within and among the communities in which they function, and leverage all the incentive schemes of the central and state government for export promotion. As the CUTS study in AEZ for lychee, pineapple and mango in west Bengal had shown, the primary grower is not really concerned or bothered about the outcome of the ASIDE scheme - for he asks - what is in it for me? Even as the percentage of India's share in global exports goes up from 0.7 % to 1.5% (no mean achievement), the farmer asks - how does it affect my income? How does it add to the sustainability of my operation? How does it make a difference for me if my consignment is exported, or sold in the domestic market? The farmers are now hoping that as the Policy is coming up for review in the next few months, it is time that the Ministry of Commerce addresses these concerns. Only then will the policy have some meaning for the grassroots.

## Harnessing ICT Essential

The issues addressed above

are critical and require urgency in addressing them. As we know the occupational structure of India is still dominated by the "agricultural sector", equally critical are the key "Agricultural Challenges" that must be resolved sooner. ICT can play a leveraging role to promote agriculture outputs through technological interventions. Primary producers must get benefit using technology means through better marketing exposure and pricing, reduction of agricultural risks and enhanced incomes, and better awareness and information. Every State gov-



ernment must effectively look into the constructive and derivative role in facilitating better networking and communication services, online trading and e-commerce all for the cause of our agriculturist brethren. There is a digital divide that is hampering the productivity and capacity of the primary producers and this cannot and need not aggravate.

Sanjeev Chopra, IAS, is Secretary, Department of Agriculture, Government of West Bengal. He can be contacted at [agrimatters@gmail.com](mailto:agrimatters@gmail.com)