4. ALLIED SECTOR AND MARKET ACCESS - ECONOMY

India's agricultural progress is increasingly supported by the expansion of allied sectors such as livestock, dairy, poultry, and fisheries. Allied sectors in agriculture refer to economic activities related to farming but not directly involving crop cultivation, such as livestock rearing, dairy, fisheries, poultry, beekeeping, and sericulture.

These sectors play a crucial role in diversifying farm income, enhancing nutritional security, and generating rural employment.In recent years, allied sectors have emerged as high-growth components of Indian agriculture, providing resilience against climate variability and price fluctuations affecting crop production.

1. Growth Trends in India's Allied Sector

1. Consistent Growth Performance
   • Livestock and fisheries sectors have recorded relatively stable annual growth rates of about 5–6%, which is higher than the average growth of the crop sector.
2. Rapid Expansion in Economic Contribution
   • Between FY2015 and FY2024, the Gross Value Added (GVA) of allied sectors increased by nearly 195%, corresponding to a Compound Annual Growth Rate (CAGR) of about 12.77% at current prices.
3. Structural Transformation in Agriculture
   • The rising share of allied activities reflects a gradual shift from traditional crop-based agriculture toward diversified and value-added agricultural production systems.
4. Increased Demand for Animal Products
   • Rising incomes, urbanisation, and dietary diversification have increased demand for milk, eggs, fish, and meat, driving the growth of allied sectors.

2. Dairy Sector Network and Infrastructure

India possesses one of the largest dairy ecosystems in the world, built on cooperative models and extensive rural participation.

The dairy network currently includes:

1. 22 State Milk Federations coordinating dairy operations across states.
2. 241 District Milk Unions linking village-level producers with processing units.
3. 28 Marketing Dairies responsible for processing and distribution.
4. 25 Milk Producer Organisations (MPOs) supporting farmer collectives.
5. Coverage across approximately 2.35 lakh villages.
6. Participation of around 1.72 crore farmer members, most of whom are small and marginal farmers.

• To enhance value addition and meet rising demand, India plans to expand milk processing capacity to 100 million litres per day by 2028–29, strengthening the dairy value chain.

3. Significance of Allied Sectors in India

1. Enhancing Farmers' Income

• Allied sectors provide supplementary and regular income throughout the year, unlike seasonal crop farming.
• Livestock, dairy, and poultry offer daily or periodic income streams, improving cash flow for rural households.
• These sectors reduce risks associated with monsoon-dependent agriculture, thereby stabilizing farm incomes.

2. Major Contribution to Agricultural GVA

• Allied sectors contribute over 40% of India's Agricultural Gross Value Added (GVA).
• The livestock sector alone contributes around 30%, making it the largest and fastest-growing

agricultural sub-sector.
• Fisheries have emerged as an important component of India's Blue Economy.
3. Employment Generation
• Allied sectors are labour-intensive, creating employment across production, processing, marketing, and logistics.
• Activities such as dairy farming, poultry production, and fish farming generate year-round rural employment, reducing disguised unemployment in agriculture.
4. Women Empowerment
• Women play a major role in livestock management, dairy farming, poultry, and small animal husbandry.
• Participation in dairy cooperatives and Self-Help Groups (SHGs) has improved women's economic independence.
• Cooperative models such as Amul demonstrate the transformative impact of women-led dairy enterprises.
5. Nutritional Security
• Allied sectors provide protein-rich food sources, including:

1. Milk
2. Eggs
3. Fish
4. Meat
5. Honey

• These products help address protein deficiency and malnutrition, contributing to India's nutrition security.
6. Export Potential
• India is the largest producer of milk globally and one of the top fish producers.
• Marine products such as shrimp and seafood generate significant foreign exchange earnings.

4. Key Challenges Facing the Allied Sector

1. Low Productivity
• Milk yield per animal in India remains lower than global standards due to poor breed quality and inadequate feeding practices.
• Fisheries productivity is affected by limited adoption of scientific aquaculture methods.
2. Infrastructure Deficiencies
• Lack of cold storage, refrigerated transport, and modern processing units leads to significant post-harvest losses.
• Inadequate fish landing centres and harbour infrastructure limit fisheries development.
3. Livestock Disease Outbreaks
Major diseases affecting livestock include:

1. Lumpy Skin Disease (LSD) affecting cattle
2. Avian Influenza affecting poultry
3. Foot and Mouth Disease (FMD) affecting cloven-hoofed animals

• Weak veterinary infrastructure increases farmers' vulnerability.
4. Credit and Insurance Constraints
• Small farmers often have limited access to institutional credit for livestock and fisheries activities.
• Lack of affordable livestock insurance increases financial risks.
5. Climate Change Vulnerability
• Fisheries are vulnerable to:

1. Cyclones
2. Sea-level rise
3. Ocean warming

4. Marine ecosystem degradation

• Climate variability also affects fodder availability and livestock productivity.

6. Environmental Concerns

• Overfishing and marine resource depletion threaten long-term sustainability.

• Livestock contributes to methane emissions, raising climate concerns.

5. Major Government Initiatives Supporting Allied Sectors

1. National Livestock Mission (NLM)

• Promotes livestock entrepreneurship and productivity improvement.

• Supports fodder development and livestock infrastructure.

2. Rashtriya Gokul Mission (RGM)

• Focuses on conservation and development of indigenous cattle breeds.

• Establishes Gokul Grams and breeding centres.

3. National Animal Disease Control Programme (NADCP)

• Aims to eradicate Foot and Mouth Disease (FMD) and Brucellosis.

• Implements mass vaccination programmes.

4. Pradhan Mantri Matsya Sampada Yojana (PMMSY)

• A flagship fisheries development programme aimed at:

1. Increasing fish production
2. Enhancing exports
3. Generating employment
4. Doubling fishers' incomes.

5. Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY)

• A sub-scheme under PMMSY focusing on:

1. Fisheries sector formalisation
2. Insurance and credit support
3. Performance-based incentives
4. Digital traceability of fish production.

6. National Beekeeping and Honey Mission (NBHM)

• Promotes scientific beekeeping and honey production.

• Supports the Sweet Revolution and improves crop pollination.

6. Reservoir Development and Inland Fisheries Expansion

• India possesses one of the largest inland reservoir networks covering 31.5 lakh hectares.

• These reservoirs offer significant potential for aquaculture and inland fisheries expansion.

Mission Amrit Sarovar

• A national initiative to develop rural water bodies.

• 68,827 Amrit Sarovars have been developed, including 1,222 integrated with fisheries activities.

These water bodies support:

1. Fish culture
2. Livelihood diversification
3. Aquatic ecosystem restoration.

7. Way Forward

1. Improve breed quality and scientific livestock management to increase productivity.
2. Expand cold chain infrastructure and value-added processing in dairy and fisheries sectors.
3. Strengthen veterinary healthcare and livestock insurance systems.
4. Promote sustainable fisheries management and marine conservation.
5. Expand digital traceability and formalisation of value chains.
6. Encourage women-led cooperatives and farmer producer organisations.

Conclusion

• India’s agriculture and allied sectors are central to economic resilience, rural livelihoods, nutritional security, and environmental sustainability.
• Strengthening livestock, fisheries, dairy, and other allied activities can diversify agricultural growth and enhance farmers’ incomes.
• With improved infrastructure, technological adoption, and supportive policies, allied sectors can play a crucial role in achieving Atmanirbhar Bharat, Sustainable Development Goals (SDGs), and climate-resilient agriculture.

Source:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2234117&reg=3&lang=1#:~:text=The%20expansion%20of%20India's%20livestock,productivity%20improvement%2C%20animal%20health%2C%20breed