

# **A Study on Development of Agricultural Sector in India**

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## **ABSTRACT**

*Agriculture sector is the mainstay of the Indian economy, contributing about 15 per cent of national Gross Domestic Product (GDP) and more importantly, about half of India's population is wholly or significantly dependent on agriculture and allied activities for their livelihood. India has been witnessing a blinding pace of growth and development in recent times. There is talk of the country leapfrogging into the league of developed nations sooner than later. But this growth has raised concerns from sundry quarters as regards its basic texture and health. Experts are now calling for "sustainable development" and the term has gained currency in the last few years. In spite of fast growth in various sectors, agriculture remains the backbone of the Indian economy. Sustainability entails attaining equilibrium between the demand and supply of agriculture produce. The green revolution may bring the efficiency in agriculture produce and thus, the productivity increases. The ultimate performance of agriculture depends on the performance of various resources, the strategies and methods adopted. To face dryness due to the decrease in the rainfall, the agriculturist has to use the innovative strategies.*

*Keywords: Agriculture, Sustainable growth, Resources, Development, trends, economy, etc.*

## **1. INTRODUCTION**

The budgetary estimate for the Agriculture Ministry for 2019-20 is 140 per cent higher than that for 2018-19 at Rs 57,600 crore, primarily due to Rs 75,000 crore allocation to PM-Kisan. The agricultural and allied sectors in India have grown at an annual growth rate of nearly 2.9 per cent from 2014-15 to 2018-19. Agriculture sector is the mainstay of the Indian economy, contributing about 15 per cent of national Gross Domestic Product (GDP) and more importantly, about half of India's population is wholly or significantly dependent on agriculture and allied activities for their livelihood. The contribution of agricultural sector to GDP has continued to decline over the years, while that of other sectors, particularly services, and has increased. In 1970-71 agriculture contributed about 44 per cent of GDP, which declined to 31.4 per cent and 14.6 per cent in 1990-91 and 2009-10 (at 2004-05 prices), respectively. Nevertheless, agriculture remains a major source of employment, absorbing about 52 per cent of the total national work-force in 2004-05, down from about 70 per cent in 1971. The share of agricultural exports in total export value declined from about 18.5 per cent in 1990-91 to about 10.6 per cent in 2009-10, while share of agricultural imports to total national imports increased from 2.8 per cent in 1990-91 and reached a high of 8.2 per cent in 1998-99 and declined to about 4.4 per cent in 2009-10. Importance of agriculture in a country like India is not likely to decline due to concerns for food security, employment, rural poverty and availability of wage goods. Successive Five Year Plans have stressed on self-sufficiency and self-reliance in food grains production and concerted efforts in this direction have resulted in substantial increase in agricultural production and productivity. This is clear from the fact that from a level of about 52 million tonnes in 1951-52, food grains production rose to above 241.5 million tonnes (4th advance estimates) in 2010-11. The Eleventh Plan, which had attempted to reverse deceleration of agricultural growth during the Ninth and Tenth Plan, had some success in as food grains production has touched a new peak of 241.56 million tonnes in 2010-11 and growth in agriculture in the Eleventh Plan is likely to be about 3.3 per cent per year. However, to achieve between 4 and 4.5 per cent average growth in agricultural sector in the Twelfth Plan period adequate efforts on the part of the government are required. In view of importance of these issues, critical examination of recent trends in agriculture and the factors underlying the slow growth in agriculture is important to reorient programmes and

policies in the 12th Plan. This paper is aimed at strengthening agriculture sector in sustainable economic as well as human development. Sustainable agriculture is the act of farming using principles of ecology, the study of relationships between organisms and their environment. Sustainable agriculture can be understood as an ecosystem approach to agriculture.

## **2. OBJECTIVES OF THE STUDY**

Following are the objectives of the study:

1. To study the present status of development of agriculture sector in India.
2. To study understand the Economic Sustainability in agricultural sector in india.
3. To study the future Prospects and Solution for India.

## **3. RESEARCH METHODOLOGY**

The prepared paper is a descriptive study in nature. The study has been carried out based on the collection of the relevant secondary data. Secondary data collection was based on various sources such as published books, articles published in different journals & news papers, periodicals, conference paper, working paper and websites, etc.

## **4. DEVELOPMENT OF AGRICULTURE SECTOR IN INDIA**

Since 2000, there has been strong progress in the agricultural sector (which includes crops, livestock, forestry, aquaculture and fisheries) overall agricultural growth has averaged 4 per cent a year. This is partly due to policy reforms including ongoing impacts of allocating land use rights to individuals, and the result of market-based incentives such as higher prices for crops. The agriculture performance linkages with rural poverty and household nutrition, supply response and investments in agriculture, performance and potential of rain fed agriculture, efficiency in Indian edible oilseed sector, progress and potential of horticulture, linkages between urban consumption and rural nonfarm employment and agriculture income, subsidies and investment in livestock sector, post harvest management of fish, and cooperative credit. During 2017-18 crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting food grain production of 285.2 million tonnes. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. As of September 2018, total area sown with kharif crops in India reached 105.78 million hectares. India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 314.7 million tonnes (mt) in 2018-19 as per third advance estimates. Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion in FY18. In FY2019 agriculture exports were US\$ 38.54 billion. India is also the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US\$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18. Food & Grocery retail market in India was worth US\$ 380 billion in 2017.

## **5. ECONOMIC SUSTAINABILITY**

For agriculture to be sustainable it should be economically viable over the long term. Conventional agriculture involves more economic risk than sustainable agriculture in the long term. Sometimes governments are inclined to view export-oriented production systems as more important than supply domestic demands. This is not right. Focusing on exports alone involves hidden costs: in transport, in assuring local food security, etc. Policies should treat domestic demand and in particular food security as equally important to the visible trade balance. It is a popular misconception that specific commodities promise high economic returns. But market production implies certain risks as markets are fickle and change quickly. Cheap foreign food may sweep into the national market, leaving Indian farmers without a market. As a World Trade Organization signatory, the Indian government is under pressure to deregulate and open its economy to the world market so it cannot protect its farmers behind tariff walls. The main source of employment for rural people is farming. Trends towards specialization and mechanization may increase narrowly measured "efficiency", but they reduce employment on the land. The welfare costs of

unemployment must be taken into account when designing national agricultural support programs. Sustainable agriculture, with its emphasis on small-scale, labour-intensive activities, helps overcome these problems.

## ACHIEVEMENTS IN THE SECTOR

- Sugar production in India has reached 27.35 million tonnes (MT) in 2018-19 sugar season, as of March 15 2019, according to the Indian Sugar Mills Association (ISMA).
- The Electronic National Agriculture Market (eNAM) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing APMCs. Up to May 2018, 9.87 million farmers, 109,725 traders were registered on the e-NAM platform. 585 mandis in India have been linked while 415 additional mandis will be linked in 2018-19 and 2019-20.
- Agriculture storage capacity in India increased at 4 per cent CAGR between 2014-17 to reach 131.8 million metric tonnes.
- Coffee exports reached record 395,000 tonnes in 2017-18.
- Between 2014-18, 10,000 clusters were approved under the Paramparagat Krishi Vikas Yojana (PKVY).
- Between 2014-15 and 2017-18 (up to December 2017), capacity of 2.3 million metric tonnes was added in godowns while steel silos with a capacity of 625,000 were also created during the same period.
- Around 100 million Soil Health Cards (SHCs) have been distributed in the country during 2015-17 and a soil health mobile app has been launched to help Indian farmers.

## 6. FUTURE PROSPECTS AND SOLUTION FOR INDIA

In the present context sustainability with natural resource management has become more relevant. The visible institutional changes with new models of marketing and cultivation should be supported by government policies too. Priority investment areas identified need to be worked on without loss of time. Risk management and incentive based system will motivate farmers to efficient agriculture. Empowerment of the small and marginal farmers through education, reforms and development will ensure a better, efficient and strengthened Indian agriculture. Motivation new models in production and marketing along with creating awareness and imparting education to small farmers will help in development of the sector and more importantly improving the economic status of poor farmers. The action plan to strengthen agriculture in India needs to be on domestic reforms through reduction of government intervention in the market economy but playing major role as evaluator and implementation of the policies, increased investment and prioritising the area to invest, parallel action plans in this direction are needed in research to increase productivity and irrigation and water management.

Agriculture sector is an important contributor to the Indian economy around which socio-economic privileges and deprivations revolve and any change in its structure is likely to have a corresponding impact on the existing pattern of social equity. Sustainable agricultural production depends upon the efficient use of soil, water, livestock, plant genetics, forest, climate, rainfall and topology. Indian agriculture faces resource constraints, infrastructural constraints, institutional constraints, technological constraints and policy induced limitations.

Sustainable development is the management and conservation of the natural resource base and the orientation of technological and institutional change in such a manner as to ensure the attainment and continued satisfaction of human needs for the present and future generations. Such sustainable development (in the agriculture, forestry and fisheries sector) conserves land, water, plant and animal genetic resources, is environmentally non-degrading, technically appropriate, economically viable and socially acceptable.

So, to achieve sustainable agriculture development the optimum use of natural resources, human resources, capital resources and technical resources are required.

In India the crop yield is heavily dependent on rain which is the main reason for the declining growth rate of agriculture sector. These uncertainties hit the small farmers and labourers worst which are usually leading a hand to mouth life. Therefore something must be done to support farmers and sufficient amount of water and electricity must be supplied to them as they feel insecure and continue to die of drought, flood, and fire. India is the second largest country of the world in terms of population; it should realize it is a great resource for the country. India has a huge number of idle people. There is a need to find ways to explore their talent and make the numbers contribute towards the growth. Especially in agriculture passive unemployment can be noticed.

The sustainable development in India can also be achieved by full utilization of human resources .A large part of poor population of the country is engaged in agriculture, unless we increase their living standard, overall growth of this country is not possible. If we keep ignoring the poor, this disparity will keep on increasing between classes. Debt traps in country are forcing farmers to commit suicides. People are migrating towards city with the hope of better livelihood but it is also increasing the slum population in cities. Therefore rural population must be given employment in their areas and a chance to prosper. India has been carrying the tag of “developing” country for quite long now; for making the move towards “developed” countries we must shed this huge dependence on agriculture sector.

## **7. CONCLUSION**

Strengthening of agriculture will help in up-liftment of the farmers but also benefit the larger section of the rural poor who are directly engaged in agriculture or indirectly linked with agriculture as consumers. Efficient way of production, stabilized prices, higher income from agriculture would create a more conjugative environment in the country for the development of the economy as a whole and of rural population in particular. One of the most important component of the much needed reforms is not only implementation of the policy in time but also simultaneous review and evaluations of the impact of the policies and taking immediate steps to rectify the negative impacts if caused by any of the policies. Inter sectoral linkages and organisation of the agricultural sector needs to be taken up. Sustainability is another key issue. The growth and development in the agriculture is achieved by Green Revolution. It is the need of the tense to maintain the resources and to respond the climate change. The conservation of water resources is required to be focused. To face the difficulties in summer and the decrement in the rain fall, it is important to save a single drop of water, for this one of the strategies that to pour the water collected by the roof in the land, other strategies may be dividing land in to several other parts to match the demand and supply for food grains and the vegetables.

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