

The Changing Position of Indian Agriculture in India

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ABSTRACT

The development of Indian agriculture has been going through different level of growth. The government of India has promoted this sector from the first five year plan. During the globalization period, the government also has protected the Indian agriculture. The growth of agriculture sector has always gone with certain limitation. This has changed the position of Indian agriculture at different level. This paper has explained the agricultural growth and its position at selected period.

1. Introduction

Indian agriculture has been backbone of Indian economy for several years. Even today, the agriculture sector has got significant place in Indian economy. 65 per cent of the working population are engaged in agriculture. Indian agriculture was contributing highest share in gross domestic product of India. The major part of national income was being derived from this sector; however there has been declining trend in the recent years. There have been changes in the structure of Indian agriculture, which has affected the overall economy. Accordingly, the agricultural policies of the government also have gone with several changes. The supply side and demand side, both are important for the government while framing the policies. The government of India has brought several reforms in land settlement and land use, which benefitted large number of small farmers and land less labour. The government also has promoted technological advancement through research and development. The capital investment in agricultural infrastructure has been increasing over the years. As a whole, the Indian agriculture has gone with higher productivity and production. The role of Indian agriculture also has changed as the time is changing. On the demand side, there have been establishment of agricultural markets and public distribution system. This has protected both, the farmers and consumers. This paper has explained how the position of Indian agriculture has been changing over the period of times.

2. Objectives of the Study:

- 2.1 To take review of the development of Indian agriculture.
- 2.2 To explore the trends on Indian agriculture after Independence.
- 2.3 To explain the contribution of Indian agriculture in gross domestic product

3. Hypothesis of the Study:

- 3.1 The Indian agriculture has developed during the post-Independence period.
- 3.2 The contribution of Indian agriculture in total gross domestic product of India has been declining.

- 3.3 The progress of Indian agriculture could be stressed in non-traditional crops.

4. Literature Review:

Rangarajan (1982) has studied the agricultural output over the period of time. According to the author, the agricultural output in India has contributed to the industrial development in India. Acharya S.S. (1998) has analyzed the policy package of the government of India over the year. According to the author the high yielding variety seeds have brought drastic changes in the production of wheat and rice. The major contribution was made by the agricultural research and extension services. Rajkishor Panda (2009) has argued that, the workforce participation in the agriculture sector has fallen down over the years.

5. Methodology:

The present research analysis is based on the secondary data. The published reports of the Ministry of Statistics and Programme Implementation (2017), government of India and Economic Survey of India (2017) have been used to analyse the data. The researcher has collected selected data related to the share of Indian agriculture in GDP and gave analysis under selective heads. Besides these, the researcher also has used other published books and research articles for the analysis.

6. Analysis of Data:

The Indian agriculture has developed to considerable level, especially after the Independence. The production and productivity of selective crops was highly satisfactory. The micro and macroeconomic policies of the policies declared by the government of India have strengthened the Indian agriculture. The agriculture and industry linkages were made stronger. The agricultural output also has promoted the industrial growth in India. In the 1960s, especially before the green revolution, the average annual growth of agriculture sector was recorded as 2.7 per cent. After the green revolution and introduction of government policies, especially in the decade of 1970s, the average annual growth of agriculture sector was recorded as 3.1per cent. After that, there has been fall and rise at insignificant size. In the 1990s, the average

annual growth of agriculture sector was recorded as 3.98 per cent. Even in the decade of 2000 to 2010, the average annual growth rate was almost similar. This shows that, despite of several special packages, the growth of Indian agriculture had certain limitations. The government of India had accepted the promotional policy package throughout the planning period. The most important contribution to the agriculture was 'green revolution', however post-green revolution had certain environmental issues. Besides these, the green revolution has contributed to Indian agriculture at considerable level. The new agricultural strategy was being promoted for these changes. HYV seeds, chemical fertilizers and pesticides, irrigation projects, minimum support price, agricultural credit and public distribution, these were some of the content of the policy package declared by the government. After the globalization, the Indian agriculture has gone with several technological changes. The cropping pattern also got affected. The agricultural products as tea, coffee, cashew, spices, tobacco became important from the export point, whereas the allied activities were also being promoted to contribute more. The cash crops as cotton, jute, sugar production have promoted agro based industries. In reverse way, the growth of Indian agriculture also has promoted the growth of capital industries, which was producing agricultural machineries.

Despite of all the efforts of the government of India and state governments, the Indian agriculture has been changing its role. The globalization has made service sector stronger. The quality improvement in agriculture has been neglected in the recent years. The data of Indian agriculture shows the declining trend in workforce participation in agriculture sector and share in total gross domestic product of India.

The workforce participation in agriculture sector in the year 1961 was recorded as 75.9 per cent, which was declined to 69 per cent in the year 1981. Further it fell to 58.40 per cent in the year 2001 and finally it came to 54 per cent in the year 2011. It shows that, from 1961 to 2011, i.e. during fifty years, the workforce participation in agriculture sector fell down by 21.9 per cent. This was not bad indicator of Indian agriculture, as there was already surplus labour force engaged in this sector. According to Table No.1, the share of Indian agriculture in the gross domestic product (GDP) of India has been continuously falling. This was the bad indicator of Indian agriculture.

Table No. 1
Share of Agricultural Sector in India's GDP (in per cent)

Year	Share of Agriculture in Total GDP (India)
1951-52	52.0
1961-62	41.7
1971-72	40.28
1981-82	34.07
1991-92	29.39
2001-02	22.92
2011-12	17.86
2013-14	18.20

Source: Ministry of Statistics and Programme Implementation (2016)

The share of Indian agriculture in total GDP of India was 52 per cent in the year 1951-52. It means that, more than half of the GDP was being contributed by agriculture sector.

However, after that, there has been declining trend in this share. In the year 1961-62, the share of Indian agriculture to total GDP was 41.7 per cent, which again fell down to 40.28 per cent in the year 1971-72 and to 34.07 per cent in the year 1981. It means within 30 years after the Independence, the share of Indian agriculture to the GDP fell down by almost 18 per cent. As there was the introduction of globalization, the Indian agriculture had to accept several changes. This again put pressure on its all resources. In the year 1991-92, this share was 29.39 per cent which further fell down to 22.92 per cent in the year 2001-02 and to 17.86 per cent in the year 2011-12. The share of Indian agriculture has been continuously falling down. From the year 1951-52 to 2013-14, i.e. during 62 years of Independence, the share of Indian agriculture fell down by almost 33.8 per cent. This has considered as serious for the rural development. The Indian agriculture has gone through several challenges, which was tough for the farmers from both sides, i.e. supply and demand side.

The agricultural growth of India after 1991 has been promoted by the government of India through several programmes and schemes. The economic reforms introduced after the globalization had brought several challenges along with opportunities. However, some of the challenges and opportunities, which could be responsible for the agricultural growth in India, have been given as below.

- a) The government of India under the World Trade Organization, reduced the subsidies on seeds, fertilizers, pesticides, electricity etc.
- b) The import policy of the agricultural goods reduced the domestic prices agricultural goods.
- c) The export of developed countries increased as compared to developing countries.
- d) The private sector was allowed in agricultural sector to set up the capital assets as electricity and pesticides.
- e) In the post-reforms period, the government of India also had reduced the expenditure in agriculture sector so as to reduce the fiscal deficit. This had deep impact on Indian agriculture.
- f) The public investment in agriculture sector was declining gradually, as the impact of WTO increased on India.
- g) The national agricultural policy (2000) was declared by keeping an object of 4 per cent agricultural growth rate.
- h) For the effective distribution of credit to the farmers, the government of India introduced 'Kisan Credit Card' through regional rural banks and other commercial banks
- i) The government of India increased the plan outlay from Rs. 2670 crores in the year 2004-05 to Rs. 7462 crores in the year 2006-07. This increase was more than double in order to promote the agriculture growth.
- j) The effective implementation of minimum support price through government agencies was also responsible for the agricultural growth in the post-globalization period.

- k) The agricultural technology and extension services were strengthened throughout the states of India.

7. Result:

The Indian agriculture has achieved significant level of success at least in case of selected crops. The 'green revolution' was the best contribution of Indian agriculture, from where the face of it changed in a positive direction. After going through data analysis, some of the important results can be drawn as below-

- i) After the Independence, the Indian agriculture has developed to considerable level.
- ii) The production and productivity of selected crops was highly satisfactory.
- iii) The government policies have strengthened the Indian agriculture.
- iv) The agricultural output also has promoted the industrial growth in India.
- v) After the green revolution, average agricultural growth rate was increased.
- vi) In the 1990s, the average annual growth of agriculture sector was recorded as 3.98 per cent.
- vii) Even after the declaration of special packages for the agricultural development, the Indian agricultural growth had certain limitations.
- viii) The post-green revolution had certain environmental issues.

- ix) The new agricultural strategy was being promoted for the agricultural development.
- x) After the globalization, the Indian agriculture has gone with several technological changes.
- xi) The cash crops as cotton, jute, sugar production have promoted agro based industries.
- xii) The workforce participation in agriculture sector has been consciously falling down.
- xiii) The share of Indian agriculture in the gross domestic product (GDP) of India has been continuously falling.
- xiv) During the 30 years after the Independence, the share of Indian agriculture to the GDP fell down by almost 18 per cent.
- xv) From the year 1951-52 to 2013-14, i.e. during 62 years of Independence, the share of Indian agriculture fell down by almost 33.8 per cent.

8. Conclusion:

The Indian agriculture has gone through various phases. The agricultural growth has been fluctuating over the years. However, there is need to accelerate the growth. The Indian agriculture in selective crops has greater potential, this need to explore properly. The public and private investment in agricultural infrastructure asset should be increased and farmers should utilize these infrastructures in a optimum way. The Indian agriculture need to re-establish itself in modern diversified structure. This could be bring second green revolution in India.

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