



PERFORMANCE OF AGRICULTURE SECTOR IN INDIA

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ABSTRACT

"Agricultural development is central to economic development of the country."

-Tenth Five Year Plan

Agriculture is the predominant segment of Indian economy, which decides the development and maintainability. Around 65 percent of the populace still depends on agriculture for work and occupation. India is the first on the planet in the creation of milk, heartbeats, jute and jute-like filaments; second in rice, wheat, sugarcane, groundnut, vegetables, leafy foods generation; and is a main maker of flavors and manor trims and also animals, fisheries and poultry. The execution of the farming division impacts the development of the Indian economy. Agribusiness has been a method for life and keeps on being the absolute most imperative work of the masses. Horticultural arrangement concentrate in India crosswise over decades has been on independence and confidence in food grains generation impressive advancement has been made on this front. Food grains generation rose from 52 million tons in 1951-52 to 2574 million tons in 2011-12. The offer of farming in genuine GDP has fallen to 14.1% in 2012-13 provided for its lower development rate in respect to industry and administrations.

KEYWORDS: Agriculture, Milk, Pulses, Jute, Wheat, Sugarcane, Groundnut, Vegetables, Fruits.

INTRODUCTION

Agriculture is the predominant segment of Indian economy, which decides the development and maintainability. Around 65 percent of the populace still depends on agribusiness for job and work. India is the first on the planet in the creation of milk, heartbeats, jute and jute-like filaments; second in rice, wheat, sugarcane, groundnut, vegetables, leafy foods generation; and is a main maker of flavors and ranch trims and additionally animals, fisheries and poultry. The execution of the horticultural part impacts the development of the Indian economy. Agribusiness has been a lifestyle and keeps on being the absolute most essential occupation of the masses. Horticultural arrangement concentrate in India crosswise over decades has been on independence and confidence in food grains generation extensive advancement has been made on this front. Food grains creation rose from 52 million tons in 1951-52 to 257.4 million tons in 2011-12.

The offer of agriculture in genuine GDP has fallen to 14.1% in 2012-13 provided for its lower development rate in respect to industry and administrations. Nonetheless, what is the worry is that development in the agriculture part has regularly missed the mark regarding the arrangement targets. Amid the period 1960-61 to 2010-11, food grains creation developed at an aggravated yearly development rate (CAGR) of around 2 percent. Indeed, the Ninth and Tenth Five Year Plans saw agrarian sectoral development rate of 2.44 percent and 2.30 percent individually contrasted with 4.72 percent amid eighth Five Year Plan during the eleventh Five Year Plan, agriculture development is assessed at 3.7 percent against a focus of 4 percent. The Document paper of the twelfth Five Year Plan sanction by NDC accentuates the need to “increase our

endeavors to guarantee that 4.0 percent normal development” is accomplished amid the Plan if not more. Without incremental gainfulness increases and engineering dissemination crosswise over locale, attaining to this higher development may not be achievable and has suggestions for the macroeconomic steadiness given the climbing interest of the 1.2 billion individuals for nourishment. Attaining to least farming development is an essential for comprehensive development, decrease of destitution levels, advancement of the rustic economy and upgrading of homestead salary.

ESSENTIALNESS OF AGRICULTURE IN INDIAN ECONOMY

★Share of Agriculture in National Income

Farming has got a prime part in Indian economy. Despite the fact that the offer of agriculture in national pay has descended following the beginning of arranging ear in the economy however GDP. Agriculture including unified exercises, represented 14.1 per penny of horrible residential item (GDP) at 2004-05 costs, in 2011-12 as contrasted with 14.7 percent in 2009-10. Despite the declining pattern in agriculture's offer in GDP, it is discriminating from the salary conveyance point of view as it represented around 58 percent work in the nation as per evaluation 2001. Subsequently, development in agribusiness and unified area remains an ‘essential condition’ for comprehensive development. As far as creation, out of the aggregate offer of 14.1 percent that agribusiness and partnered area had in GDP in 2011-12, agriculture alone represented 12.0 percent, emulating by ranger service and logging at 1.4 percent and completing at 0.7 percent.

*** Share of Agriculture in Capital Formation**

The GCF in agriculture and united divisions as an extent to the GDP in the segment stagnated around 14 percent amid 2004-05 to 2006-07. Nonetheless, there is a stamped change in this figure amid the Eleventh Five Year Plan. It expanded to 16.03 percent in 2007-08 and further to 19.67 percent in 2008 -09 (temporary) and to 20.1 percent in 2009-10.

Anyhow for 2010-11 it declined to 18.4 percent. Amid 2011-12 after first update it marginally enhanced to 19.8 percent.

General GCF in agriculture (counting the united division) just about multiplied in most recent 10 years and enrolled a compound normal yearly development of 8.1 percent. Rate of development of GCF quickened to 9.7 percent in the eleventh arrange (2007-12) contrasted with a development of 2.7 percent amid the tenth arrange (2002-07).average yearly development of private interest in farming at 12.5 percent amid initial four year of eleventh arrangement was fundamentally higher as against about stagnant venture amid the tenth arrangement.

***Important Contribution to Employment**

Agribusiness division, at present, gives work to 65% to 70% of the aggregate populace. The area gives work to 58% of nation's work energy and is the single biggest private division occupation.

***Important Source of Industrial Development**

Different vital commercial enterprises in India find their crude material from agribusiness area, cotton and jute material businesses, sugar, vanaspati, commercial ventures and so on., are straightforwardly subject to farming. Handloom, turning, oil processing, rice whipping and so forth., are different little scale and bungalow commercial

ventures which are reliant on farming part for their crude material. This highlights the significance of agribusiness in modern advancement of the country.

***Importance in International Trade**

India's outside exchange is profoundly connected with Agriculture part. Agriculture and Allied division Accounts for 9.08% of the aggregate fares amid 2011-12 against 6.9% of 2010-11.besides, merchandise made with the crude material of farming area additionally helps around 20% in India sends out. As such , agriculture and its connected merchandise help around 38% altogether fares of the nation.

Performance of Agriculture Sector During 11th Plan 2007-12

The normal yearly development in agriculture and unified segment acknowledged amid the years of the Eleventh Plan period, i.e., 2007-08 to 2011-12, was 3.6 percent against the focused on development rate of 4 percent. Agriculture and partnered divisions recoded marginally lower normal development than focused in the Eleventh Plan period because of serious dry season experienced in many parts of the nation amid 2009-10 and dry spell/inadequate precipitation in a few states, to be specific Bihar, Jharkhand, Eastern U.P. also West Bengal in 2010-11. Be that as it may, convenient and restorative measures taken by the legislature helped help rural generation and development in agribusiness and partnered area arrived at 7.9 percent in 2010-11, the most elevated development rate attained to amid the most recent 6 years. In 2011-12 agribusiness and united segments were evaluated to accomplish a development rate of 3.6 percent. According to propel appraisals of CSO for 2012-13, farming and partnered area development has been evaluated at just 1.8 percent.

Agriculture Sector: Key Indicators

(Per cent)

S.NO	Item	2009-10	2010-11	2011-12 (1 st Revision)
1.	GDP-Share and Growth(at 2004-05 prices)			
	Growth in GDP in agriculture & allied sectors	0.8	7.9	3.6
	share in GDP -Agriculture and allied sectors	14.6	14.5	14.1
	Agriculture	12.3	12.3	12.0
	Forestry and logging	1.5	1.4	1.4
	Fishing	0.8	0.7	0.7
2	Share in Total Gross Formation in the country(at 2004-05)			
	Share of Agriculture and Allied Sectors in total Gross Capital Formation	7.3	6.2	6.8
	Agriculture	6.7	5.6	6.2
	Forestry and logging	0.1	0.0	0.1
	Fisheries	0.5	0.5	0.5
3	Employment in the agriculture sector as share of total workers as per census 2001	58.2		

PROBLEMS FACED BY INDIAN AGRICULTURE

The major problems of Indian agriculture are as follows;

- ☞ Illiteracy, general socio-economic backwardness, slow progress in implementing land reforms and inadequate or inefficient finance and marketing services for farm produce.
- ☞ The average size of land holding is very small (less than 20,000 m²) and subject to fragmentation, due to land ceiling acts and in some cases, family disputes. Such small holding are often over-manned, resulting in disguised unemployment and low productivity labour.
- ☞ Adoption of modern agriculture practices and use of technology is inadequate, hampered by ignorance of such practices, high cost and

impracticality in the case of small land holdings.

- ☞ Irrigation facilities are inadequate, farmers still being dependent on rainfall, specifically the monsoon season. During the south-west monsoon season of 2009, the country as a whole received 23 per cent less rainfall than the LPA (long period average). A good monsoon results in a robust growth for the economy as a whole, while a poor monsoon leads to sluggish growth.
- ☞ To gear up the globalization phase in the agriculture sector, government policies aim at making the agricultural sector market oriented and more competitive and government started reducing the various subsidies and concessions given to the agricultural sector, since 1991.

- ✍ Intellectual property right cause unfavorable impacts on Indian agriculture. Multinational companies can easily enter in the field of agriculture and it will be bad for the marginal farmers.
- ✍ Farmers are bankrupt because of growing production expenditure and costly seeds on the one side and reducing prices of goods on the other side. They are even committing suicide.
- ✍ The pressure on agriculture is increasing because of the increasing population. Possession of land is small and so the production cost is higher. There is also the problem of standard etc. so there are undesirable impacts on Indian agriculture.
- ✍ Agricultural land has been taken or encroached upon for development of industries.
- ✍ Liberalization of agriculture and open market operations will enhance competition in “resource use” and “marketing of agriculture production”, which will force the small and marginal farmers (who constitute 76.3% of total farmers) to resort to “distress sale” and seek for off-farm employment for supplementing income.

MEASURES IN INDIAN AGRICULTURE SECTOR

1. Enhancing agriculture productivity, competitiveness, and rural growth enhancing productivity:

Creating a more productive, internationally competitive and diversified agricultural sector would require a shift in public expenditures away from subsidies towards productivity enhancing investments. Second it will require removing the restrictions on domestic private trade to improve the investment climate and

meet expanding market opportunities. third, the agricultural research and extension systems need to be strengthened to improve access to productivity enhancing technologies. The diverse conditions across India suggest the importance of regionally differentiated strategies, with a strong focus on the lagging states.

2. Improving Water Resource and Irrigation/Drainage Management :

Increase in multi-sectoral competition for water highlights the need to formulate water policies and unbundle water resources management from irrigation service delivery. Other key priorities include: (1) modernizing Irrigation and Drainage Departments to integrate the participation of farmers and other agencies in irrigation management;(2) improving cost recovery;(3) rationalizing public expenditure, with priority to completing schemes with the highest returns; and (4) allocating sufficient resources for operations and maintenance for the sustainability of investments. Strengthening rural non-farm sector growth: Rising incomes are fuelling demand for higher- value fresh and processed agricultural products in domestic markets and globally, which open new opportunities for agricultural diversification to higher value products (e.g. horticulture, livestock), agro-processing and related services. The government needs to shift its role from direct intervention and over regulation to creating the enabling environment for private sector participation and competition for agribusiness and more broadly, the rural non-farm sector growth. Improving the rural investment climate includes removing trade controls, rationalization labour regulations and the tax regime (i.e. adoption of the value added tax system), and improving access to credit and key infrastructure (e. g. roads, electricity, ports, markets).

3.Improving access to assets and sustainable natural resource use Balancing poverty reduction and conservation priorities

Finding win-win combinations for conservation and poverty reduction will be critical to sustainable natural resource management. This will involve addressing legal, policy and institutional constraints to devolving resource rights, and transferring responsibilities to local communities. Improving access to land: states can build on the growing consensus to reform land policy, particularly land tenancy policy and land administration system. States that do not have tenancy restriction can provide useful lessons in this regard. Over the longer term, a more holistic approach to land administration policies, regulation and institutions is necessary to ensure tenure security, reduce cost, and ensure fairness and sustainability of the system. Improving access to rural finance: It would require improving the performance of regional rural bank and rural credit cooperatives by enhancing regulatory oversight, removing government control and ownership, and strengthening the legal framework for loan recovery and the use of land as collateral. It would also involve creating an enabling environment for the development of micro-finance institutions in rural areas.

4.Strengthening institutions for the poor and promoting rural livelihood Promoting Community-Based Rural Development:

State Government efforts in scaling up livelihood and community-driven development approaches will be critical to build social capital in the poorest areas as well as to expand savings mobilization, promote productive investments, income generating opportunities and sustainable natural resource management. Direct report to self-help groups, village

committees, user's associations, saving and loans group and others can provide the initial "push" to move organization to higher level and access to new economic opportunities. Moreover, social mobilization and particularly the empowerment of women's groups, through increased capacity for collective action will provide communities with greater "voice" and bargaining power in dealing with private sector, markets and financial services. Strengthening Accountability for Service Delivery: As decentralization efforts are pursued and local governments are given more prominence in the basic service delivery, the establishment of accountability mechanisms becomes critical. Local governments' capacity to identify local priorities through participatory budgeting and planning needs to be strengthened. This in turn, would improve the rural investment climate, facilitating the involvement of the private sector, creating employment opportunities and linkages between farm and non-farm sectors.

CONCLUSION

The Indian agriculture sector is now moving towards another green revolution. The Agriculture sector has low production due to a number of factors such as illiteracy, insufficient finance and inadequate marketing of agriculture products. Further the reason for the decline in agriculture growth rate in India (GDP) are that in the sector the average size of the farms is very small which in turn has resulted in low productivity. Also, the growth rate of the agricultural sector in India has declined due to not adopting modern technologies and insufficient irrigation facilities. So, the government of India must take steps to boost the agricultural sector, for this in its turn will lead to an increase in agriculture in agricultural growth. The Ministry of Agriculture is promoting a new strategy for farm mechanization through its various schemes

and programmes. A dedicated Sub-Mission on Agricultural mechanization has been proposed for the 12th plan which includes custom-hiring facilities for agricultural machinery as one of its major components. In the 12th Five Year Plan, the Government intends to increase the share of expenditure on agriculture research and development (R&D). The Government will focus on strengthening the Agriculture Technology Management Agencies (ATMA) concept through improved integration with Krishi Vikas Kendras (KVKs).

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