

Role of Agricultural sector on Indian Economy

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Abstract:

Agriculture sector is a primary sector which paly a most important role in economic growth of Indian economy. Recently, there are top two farm producers in the world. From the independency, it is considered as an important growing sector in the global economy. According to the current data, approximately, 58% population of rural families depend on the agriculture. As per the data of 2016-17, the primary sectors' share like agriculture, forest, fishery, and livestock is assessed which is 20.4 per cent in Gross Value Added (GVA). Agriculture is proved as an employment for about two-thirds population in India. In proving the employment, agriculture sector has first place. As the agriculture has the value in foreign direct investment (FDI) as exports purpose through which it works as device for economic growth. This present study makes an analysis of agriculture sector in Indian economy and discuss about the ups and downs on the performance of agriculture sector.

Keywords: Agriculture, GDP, Economy, India

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Introduction

Agricultural marketing is defined as the transferring of natural growing products from different techniques like farms, horticulture etc. The movement of agricultural products from producer to consumers has many factors like time which is considered as transport, space which is for storage and form (processing) and transferring at different levels of market stations all these types of activities are included in agriculture marketing.

Agriculture sector is considered as spinal cord for the economy of India. 170 million out of 320 million workers are engaged in agriculture. Agriculture sector provide crucial materials to men and raw material used in industrialization sector for rapid development. It is clear that besides industrial sectors, the large youth of rural areas find employment in Agriculture sector for their life and also give an entrepreneurship. The agriculture sector of India provides food and gain successful profits.

According to the annual data, Indian agriculture is seem with rapid growth after the independence with the rate of 2.6% per year. India has the 2nd rank in world for having the huge growing crops land but the productivity is low because 30% production from each crop as compared to world standards. In the food market, India has the 6th place as it contributes 70% of sales and 32% of total food market of country is accounted by the industry of food processing, one of the largest industries of our country. India has adequate technology, but due to lack of awareness, technologies cannot be fully implemented. In India, the condition of agriculture market is very poor because of lack of infrastructure, transportation and communication, etc. which cause a bad impact and result in leads to market failure. Agriculture market needs proper planning and well preparation for the growth of market. In the same way it is also necessary to increase the efficiency and transparency of market in trades occurred with producers and consumers. Proper attention must be pay towards agricultural products demanded by the consumers.

Agriculture Subsidies and Investment

Agriculture subsidies are categories into two types: Investment subsidies and Input subsidies.

Investment subsidies: To encouraging the farmers for the development infrastructural services like construction of rain water harvesting system, drip irrigation system installation and acquiring farm implements by aiming to improve the farm productivity on sustainable level.

Input subsidies: It is a type of subsidies which provided subsidies like irrigation water, fertilizers, and

Power (electricity) through which agricultural work conduct. Seeds, herbicides and pesticides are the parts of input subsidies which are provided time to time.

In addition, these input subsidies should be provided to agricultural producers at interest rates below the market rate. For providing these facilities, commercial banks, cooperatives and regional rural banks play a crucial role.

Initiatives taken by Government through the ‘Ministry of Agriculture, Cooperation and Farmer Welfare’

Pradhan Mantra Fasal Bima Yojana: it is the scheme which was run by the government for providing the insurance of crop at low premium rate for farmer. It has numerous pioneers to its credit such as covering the losses occurred due to flood and rainfall without seasons, no covering on Government subsidy. For early and accurate settlement of claims, the technique is used. Through this scheme, the farmer who has been affected by the natural calamity gained help about 50% and feel relaxed.

Prime Minister Krishi Sinchai Yojana (PMKSY): This Yojana promises guaranteed irrigation, by enabling water use efficiency cultivated area is expanded and enabling drought proofing.

National Agriculture Market Scheme (NAM): This scheme connect mandis across the entire country. It is an effort to make the India best in food zone, one best food Market. This will immensely benefit our farmers in getting fair and remunerative prices.

Prampragat Krishi Vikas Yojana: For improving and promotion of organic farming, this scheme was fulfilled under which 8,000 groups have been developed so far.

Agriculture and food management performance:

- The agriculture and related sector have been witnessed of the improvement at rate of growth in fiscal year (FY) 2017. Central statistical organization (CSO) estimated 4.1% growth in FY17. Which is largely on account of a normal monsoon all over the country.
- According to the advance estimate of Ministry of Agriculture and Farmers Welfare assessed

the kharif crop's production during FY17 is 135 million tons in the comparison of FY16 which is 124.1 million tons.

- In January 2017, the Rabi crop covers the 616.2 lakh hectares which is 5.9% higher as compare to the related week's data FY16.
- As per the record of June to September of 2016, the country gained rainfall about 97% of its long period average in Monsoon Season of South West.
- On 1 December 2016, the stock of rice and wheat was estimated as 43.5 million tons in the comparison of 1 December 2016 that was 50.5 million tons.
- To improve the flow of credit in agriculture sector, the target for FY17 is of INR9 lakh crore which was INR8.5 lakh crore in FY16.
- In 2016-17, the production of food grain was estimated as 275.68 million tons. It is expected to reach a record of 277.49 million tons in 2017-18 crop year.
- India is being developed as the export center for coffee that make it the export of coffee. The record of 2017, the export has been increased by 17% and reach US\$ 958.80 million.
- Tea exports report of 2017 is better as 240.68 million kgs is export.
- India has the second rank for producing the fruit all over the world. In 2016-17, India's horticulture has the output 300.64 million tons and has a chance to reach 305.43 million tons in 2017-18.
- In 2016, the food delivery industry available online also grew at 150 per cent year-on-year and had the Gross Merchandise Value (GMV) of US\$ 300 million. In the duration of 2017, the sector cultivated 15 per cent in each sector.

Review of literature:

Shukla and Dwivedi, (2015) in India the performance of agricultural sector have been increased significantly and the practice of sustainable agriculture is of quite importance as it accelerates the productivity, efficiency, employment, and providing guidance to reduce the practices. By using environmental friendly tools and adopting the proper knowledge for the protection and preservation of environment as well as to enhance the level of production without harming to the environment.

Kumar and Sinha, (2014) the research intensity ratio of India is measured by agricultural R&D in the form of share of agricultural output, which is found to be simultaneously low. In future, the Indian government try to find out the problem by applying a significant percentage of AgGDP to agricultural R&D. In the modification of research and development by involving the private sector, the permitting policy environment and attractive market opportunities perform a vital roles.

Arjun, (2013) by improved farming techniques agriculture has been benefited but the growth is not much as expected. As the famers are gaining the good values for holding the agriculture in a good way, the use of land is being changed in rural areas. The emerging of new techniques in agriculture are proving helpful in stopping the migration to urban areas. The crops of non-food products should be reduced for keeping the soil fertile for the food products.

Himani, (2014) in Indian GDP agriculture makes the highest contribution. In few years, it has seen that the people are not interested in the field of agriculture, despite the agriculture is considered as biggest contributor to providing the employment in India. This progress is manifested in India's net trade position. But the uppermost importance is to give training and education to the farmers for making appropriate change mind due to which they can adopt new emerging technique in agriculture sectors. It is also important to include non-governmental agencies in training due to which farmers of rural areas ready to face new challenges in the agriculture sector.

Cagliarini and Rush, (2011) for Indian economy India's agricultural sector is still very important, although from last 50 years the share of its economy has decreased. But recent decades, India has made significant advances in agricultural production, by providing the high-tech seeds, fertilizers and immigration water.

Conclusion

In the field of Indian economy, agriculture plays a significant role as approximately 58% rural families depend on the agriculture, essential for the livelihood. It is the main Input to the biotic community for any activity in this planet of Earth. In 2016-17, GDP growth rate of Indian economy was

found to be 7.1% The level of agriculture production and overall availability of food grains is satisfactory and sufficient. But it is well known that the food sector helps to increase the income of farmers so there is a need to work hard for providing the security

to our people and to make the agriculture sector resilient to the impulses of nature. There is need to provide better amenities and opportunities to the people mainly in villages for ensuring a good quality of life.



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