

Impact of Indian agriculture on the economy, possibilities and challenges

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Abstract

Agriculture: India was primarily an agricultural economy until it changed in line with world economies over the years. India ranks second in the world in terms of agricultural production. In 2005 18.6% of GDP was contributed by agriculture and related sectors such as fishing, forestry and logging and provided employment for 60% of the total workforce. The government has taken several steps to maintain agricultural production and its economy. In this research, we will study the arrangements made by the Reserve Bank of India for its development.

I. Introduction

As we know that India is an agrarian economy. About 55% of its population is employed in this sector. Agriculture contributes about 14% to the GDP of the Indian economy. But the contribution of agriculture in our economy is continuously decreasing. In the 1950s, the contribution of agriculture to our economy used to be 53%, which is currently around 14%. Agriculture accounts for 10% of the country's exports. The food security of the country's 1.26 billion population is dependent on agriculture. As we know that India is an agrarian economy. About 55% of its population is employed in this sector. Agriculture contributes about 14% to the GDP of the Indian economy. But the contribution of agriculture in our economy is continuously decreasing. In the 1950s, the contribution of agriculture to our economy used to be 53%, which is currently around 14%. Agriculture accounts for 10% of the country's exports. The food security of the country's 1.26 billion population is dependent on agriculture.

Overview of India's Agricultural Economy

In the 1950s, half of India's GDP came from the agricultural sector. By the year 1995, it decreased to 25 percent, which has decreased to about 14 percent at present. As it has been seen in the development of other countries, as a country develops, the contribution of agriculture in its share decreases, that is why due to the development of other sectors in India, the share of agriculture sector in the economy here is increasing. Steady decline. Which can be understood from the figures given below. As we know that India is an agrarian economy. About 55% of its population is employed in this sector. Agriculture contributes about 14% to the GDP of the Indian economy. But the contribution of agriculture in our economy is continuously decreasing. In the 1950s, the contribution of agriculture to our economy used to be 53 percent, which is currently around 14 percent. Agriculture accounts for 10% of the country's exports. The food security of the country's 1.26 billion population is dependent on agriculture. As we know that India is an agrarian economy. About 55% of its population is employed in this sector. Agriculture contributes about 14% to the GDP of the Indian economy. But the contribution of agriculture in our economy is continuously decreasing. In the 1950s, the contribution of agriculture to our economy used to be 53%, which is currently around 14%. Agriculture accounts for 10% of the country's exports. The food security of the country's 1.26 billion population is dependent on agriculture.

For the last five decades, due to internal and external reasons, the government kept on changing the agriculture policy from time to time. Agricultural policies can be divided into supply side and demand side. On the supply side, it includes public investment in land reform, land use, agricultural development, new technology, irrigation and rural infrastructure. On the other hand, if we talk about the demand side, then the intervention of the states in the agricultural market, the proper operation of the public distribution system, etc. comes. The policies made for agriculture affect the budget of the government. Special provisions are kept for the development of agriculture sector in the industrial policies of the government.

During the period 1964-1965 before the Green Revolution, the agricultural sector grew at an annual average of 2.7 per cent. During this period emphasis was laid towards the development of land reform policy and irrigation. In the decades of 1960 to 1991, at the time of the Green Revolution, the agricultural sector grew by 3.2 per cent during the period 1965-66 to 1975-76 and 3.1 per cent during the years 1976-1977 to 1991-1992. The substantial policy and package measures from the government during this period included:

1. Use of improved varieties of wheat and rice to strengthen agriculture, promote research and extension services related to agriculture.
2. Promoting the use of chemical fertilizers and pesticides to increase agricultural production.
3. Expansion of major minor irrigation facilities.
4. Announcement of minimum support price for major crops, government procurement and public distribution to meet requirements and construction of buildings for buffer stock of food grains.
5. Provision of agriculture loan on priority basis.
6. During this period also the central and state government took care of the needs of the market. Appropriate steps were taken to buy the produce of the farmers. So that they can get the right price for their product.

state of agriculture in india

Agricultural productivity depends on many factors. These include availability and quality of agricultural inputs, such as land, water, seeds and fertilizers, access to agricultural credit and crop insurance, assurance of remunerative prices for agricultural produce, and storage and marketing infrastructure. This report presents the details of the state of agriculture in India. In addition, agriculture discusses factors related to production and post-harvest activities.

As of 2009-10, more than half of the country's labor force (53%), ie 243 million people, was employed in the agriculture sector. 1, The people who earn their livelihood from this sector include landowners, cultivators who cultivate a piece of land, and farm laborers who work as laborers in these fields. Agricultural production has been volatile during the last 10 years, its annual growth was 8.6% in 2010–11, 0.2% in 2014–15 and 0.8% in 2015–16.

About half of the country's labor force is employed in the agriculture sector. However, its contribution to GDP is 17.5% (at current prices of 2015-16).

During the past few decades, the contribution of the manufacturing and service sectors to the growth of the economy has increased rapidly, while the contribution of the agricultural sector has declined. While the contribution of agriculture sector to GDP was 50% in the 1950s, it has come down to 15.4% in 2015-16 (at constant prices).

India's food grain production is increasing each year and the country is one of the main producers of crops such as wheat, rice, pulses, sugarcane and cotton. It ranks first in milk production and second in the production of fruits and vegetables. India contributed 25% of pulses production in 2013, which is the highest for any single country. In addition, India's share in rice production was 22% and wheat production was 13%. India accounts for 25% of the total cotton production along with being the second largest cotton exporter for many years.

However, in the case of many crops, large agricultural producing countries like China, Brazil and America

There are many factors that affect agricultural productivity, such as the size of cultivated land is decreasing and farmers are still largely dependent on the monsoon. There is not enough irrigation facilities, as well as unbalanced use of fertilizers, which reduces the fertility of the soil. Modern technology is not available to all in different parts of the country, nor is credit available at the formal level for agriculture. Foodgrains are not fully procured by government agencies and farmers do not get remunerative prices.

Industry: With the passage of time there have been huge improvements in the industrial sector. Some of the public sector industries have been privatized due to which the production of consumer goods has expanded.

Services % The service industry in India provides employment to 23% of the workforce. It is a huge part of the GDP. India takes the 15th position in the production of services. Information technology, business process outsourcing, etc. are among the fastest growing sectors, accounting for up to a third of total services output in the year 2000. The service sector in India is provided with very good infrastructure and low communication cost, which makes it very powerful. in this sector.

Banking and Finance: The banking system in India is broadly organized and unorganized. In the organized sector it includes public, private, foreign-owned banks, and in the unorganized sector individual/family owned bankers or money lenders and non-banking financial companies (NBFCs). There has been an increase in the number of bank branches including in rural areas.

The Reserve Bank of India is the agency for all policy matters, and is very important in terms of strengthening the Indian economy.

Liberalization gave way to reforms in the banking system. These reforms were carried out in the nationalized banks as well as in the insurance sectors, private and foreign concerns.

Agriculture in India: Challenges and Problems

Agriculture is the center point of the Indian economy and the pivot of Indian life. Being the basis of economic life, main source of employment and medium of earning foreign exchange, there will be no

exaggeration if agriculture is called the foundation stone of the country. About 52 percent of the country's total labor force is earning its livelihood from agriculture and agriculture related sectors. Therefore, it would be appropriate to say that the development and prosperity of the country depends only on the development, prosperity and productivity of agriculture.

After independence, accepting agriculture as the soul of the country and giving topmost priority to agriculture, the first Prime Minister of the country, Jawaharlal Nehru had made it clear that 'everything can wait but not agriculture'. Following this fact, the Government of India is running many programs, policies and schemes to develop the agriculture sector and improve the economic condition of the farmers. The government started the land reform program in the year 1960-61 by which the farmers got the ownership rights of the land. Similarly, the government gave priority to programs like capping and consolidation of land holdings, so that the farming community could be benefited. The development and prosperity of agriculture depends on the increase in agricultural production as well as on getting a fair price for the produced produce. Significantly, most of the small farmers of the country are trapped in the vicious cycle of poverty. Due to poverty and indebtedness, farmers are forced to sell their produce to middlemen at low prices. In order to free the farmers from the trap of these middlemen and to improve the marketing system, the government has taken important steps like expansion of controlled mandis, grading and effectiveness of agricultural produce, arrangement of warehouses, dissemination of market and price related information and management of cooperative marketing system. have taken steps. Establishment of National Agricultural Marketing Institute is also an important step taken in this direction. This institute is playing an important role in agricultural development by providing services of specialized education, training and research in agricultural marketing.

Apart from this, in order to make the marketing system of agricultural produce simple and smooth, maximum emphasis is being laid on the construction of rural roads under the 'Bharat Nirman' scheme to connect the villages with the nearby cities. It is worth noting that under the Bharat Nirman Yojana, priority is being given to the development of irrigation, roads, water supply, housing, electrification and telecommunication in rural areas so that the infrastructure for the development and productivity of agriculture can be strengthened. Under this programme, provision has also been made to complete all these irrigation projects which are hanging in the balance due to lack of finance.

Indian agriculture is risky. Keeping this fact in view, the government announces support prices every year to protect the farmers from possible loss due to fall in the prices of agricultural products. Similarly, to provide protection to the farmers from natural calamities, 'Crop Insurance Scheme' was started, which is being implemented later as 'Comprehensive Crop Scheme' and currently as 'National Agricultural Insurance Scheme'. Not only this, agricultural export zones have also been set up for the development of agricultural exports. It is a matter of concern that every year 21 percent of the crop in the country is destroyed due to insects and diseases, to control which a 'Plant Protection Program' was initiated and emphasis was laid on the use of disinfectants. 'Mechanization' has been encouraged in agriculture to become competitive and increase productivity in the agriculture sector. To fulfill this objective, loans are being provided to the farmers to buy tractors, pumpsets and machinery etc. at low interest rate and 'Krishi Udyog Nigam' has been established to arrange for the hire purchase system of agricultural machinery.

II. Conclusion

In order to provide a strong base to the Indian agriculture sector, the government should invest more in the agriculture sector, encourage agriculture to be given priority in the budget of the states, encourage the use of new agricultural techniques and solve all the obstacles in agricultural production. Continuously trying. The National Farmers Commission (2004-06) has emphasized the use of climate-friendly agro-economic techniques to ensure the progress of agriculture in the country and adopting a system of grain conservation in the regions benefited from the Green Revolution, on which implementation has been started. . In order to improve agriculture, emphasis has been laid on soil conservation, water conservation, revival of water sources, credit and insurance reform, marketing system and improvement in technology and input supply in the eleventh five-year plan. Keeping in view the importance of soil type, nutrients and water holding capacity in crop productivity, mobile soil testing units were established in villages. Similarly, Village Resource Centers have been set up to provide timely and timely information related to agriculture, animal husbandry, fisheries etc. to the farmers. The risk in agriculture is high, so it would be justified to keep the insurance premium rate in proportion to the income of the farmers by making the crop insurance scheme comprehensive and logical to provide security cover to the farmers. Along with this, efforts should be made to make agriculture practical by giving it the status of industry to compete with the developed countries. It is possible to make agriculture more competitive and profitable only by giving priority to the development of rural infrastructure. Panchayati Raj Institutions and Gram Sabhas will also have to fulfill huge responsibilities in this great campaign of rural development. The Urban Banks Department of the Reserve Bank monitors the activities of cooperative banks through its various

sections and has done the work of regulation of cooperative banks keeping in view the interest of the depositors and public interest.

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