

Indigenous Growth of Indian Agriculture from the New Economy

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Abstract

Agricultural trade plays an important role in the economic development of the nation. The agricultural sector has received special treatment in all countries at all stages of development due to health problems, food security, high dependence on population and political sensitivity. The sector therefore enjoys an important position in both developed and developing countries.

Agricultural trading is one of the most important components of the commodity trade. In a developing nation like India, the agricultural sector is the engine of economic growth and human well-being largely depends on the functioning of the sector. The opposite is true in many developed countries as agriculture represents a small portion of its economy.

Agriculture is the backbone of the Indian Economy. India occupies only 2.4% of the world's land area and 4% of its water resources, but must feed about 17% of the world's population and 15% of livestock. Agriculture is an important sector in the Indian economy, accounting for 14% of gross domestic product (GDP), about 11% of its exports.

Today, India is a major supplier of several agricultural products such as tea, coffee, rice, spices, cashew, fatty foods, fresh fruits, fresh vegetables, meat and its preparations and seafood products in the international market.

Key Words: *Development, Economic Growth, Gross Domestic Product*

1.1 - Introduction: -

The economic transformation in India was introduced in 1991 by the ANC government led by Mr.P.V.Narasimha Rao. That time India was faced with the economic crisis, India went to the IMF for a loan, the IMF provided a loan, which is a conditional loan, accompanied by a change in economic structure. . The government ushered in a new era of economic transformation based on these conditions. These changes can be broadly divided into three categories: liberalization, autonomy and globalization.

The performance of the Indian agricultural sector contributes to the growth of the Indian economy. It accounts for only 17 percent of the global population and covers only 2.4 percent of the world's population. The world's leading producers of many major crops such as paddy, wheat, rice, pulses, sugarcane, etc.

Agricultural trade plays an important role in the economic development of the nation. The agricultural sector has received special treatment in all countries at all stages of development due to health problems, food security, high dependence on

population and political sensitivity. The sector therefore enjoys an important position in both developed and developing countries.

Indian agriculture has greatly contributed to foreign trade even in its traditional form. Indian agricultural products have been facing stiff competition from Asian countries for a long time. Due to globalization and democracy, the competition is likely to increase and new initiatives in agricultural development must meet emerging challenges. Agricultural performance after integration with global markets has been linked to successful export exports. In an effort to increase exports, the Indian government has decided to achieve this goal by intensifying the production and export of agricultural goods. Agriculture has been a source of foreign exchange in India in the past. Agricultural trading is one of the most important components of the commodity trade. In a developing nation like India, the agricultural sector is the engine of economic growth and human well-being largely depends on the functioning of the sector. The opposite is true in many developed countries as agriculture represents a small portion of its economy.

1.2: Objectives of Paper:

The purpose of this paper is to divide the following sections, such as:

- 1 Analyzing performance of gross value added agricultural and allied Sector
- 2 Obtaining the contribution of agricultural exports

1.2.1 - Growth in the Agricultural Sector:

The importance of agriculture in the Indian economy is measured as an additional value of the agricultural sector as a percentage of GDP. Agriculture includes forestry, hunting, fishing, horticulture and livestock production. Growth in the agricultural sector has fluctuated throughout the program. Annual growth rate for the agricultural sector and multi-sectoral structures during the 11th year the five-year program by 2.7% has dropped to 4%. This growth rate is significantly higher than the annual growth rate of 2.1% and 2.3% achieved in the 9 and 10 year plan.

Agricultural growth has been volatile as Indian agriculture is still dependent on rainfall and rainfall in the southwest (June to September). Rainfall affects agricultural production and productivity. More than half of the arable land depends on the tropics.

The agricultural sector and affiliated organizations have proven to be strong against Covid-19 shocks as they recorded 3.6 percent growth in 2020-21 and improved to 3.9% in 2021-22, furthering the real GDP growth of the Indian economy. 9.2 percent in 2021-22, according to the Economic Survey 2021-22.

Table No: 1.1
GVA of Agriculture and Allied sectors and its share in total GVA of the country at current prices (In Crore)

Items	Years				
	2015-16	2016-17	2017-18	2018-19	2019-20
GVA of agriculture and allied sectors	22,27,533	25,18,662	27,96,908	29,22,846	32,57,443

Per cent to total GVA	17.7	18.0	18.0	17.1	17.8
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Source: Annual Report of Ministry of Agriculture & Farmers Welfare: Government of India 2020-21

Table No: 1.2
Growth (over the previous year) in the total GVA of the Economy and that in the GVA of Agriculture and Allied sectors at 2011-12 at base prices (In Percentage)

Year	Total Economy	Agriculture & Allied Sector	Crops	Livestock	Forestry & Logging	Fishing
2015-16	8.0	0.6	-2.9	7.5	1.7	9.7
2016-17	8.0	6.8	5.3	10.0	5.5	10.4
2017-18	6.6	5.9	4.4	7.4	6.2	14.7
2018-19	6.0	2.4	-1.0	8.1	0.4	12.00
2019-20	3.9	4.0				

Source : Annual Report of Ministry of Agriculture & Farmers Welfare: Government of India 2020-21

The agricultural sector plays an important role in enriching the Indian economy. Agriculture accounted for approximately 17.8% of India's Gross Value Added (GVA) for 2019-20. According to the World Bank's development indicators, the employment rate in India's agricultural sector stands at 41.5% by 2020. From a socio-economic point of view, agriculture is an important sector that needs to focus and raise awareness at all levels. In recent years, the agricultural sector has faced a number of challenges such as crop yields, soil erosion, water stress, high oil seed purchases, malnutrition, fluctuations, inadequate infrastructure connectivity, post-harvest losses, and information asymmetry.

However, climate change is still one of the most important challenges facing the sector.

1.2.2 - Agricultural Export:

India's agricultural sector currently contributes about 14.1 percent of Gross Domestic Product (GDP) and two thirds of its population is still employed in agriculture. GDP from agriculture grew by 69.8 percent from 1991-92 to 20011-12. The slow growth rate of agricultural production in India is slightly higher than population growth. Therefore, it is necessary that the growth rate of the agricultural sector requires significant acceleration. Increasing the growth rate of the agricultural sector is necessary not only for grain production but also for producing enough surplus exports. The share of agricultural exports to India's GDP (both gross domestic product and GDP from agriculture) will reflect three major factors, namely,

- (a) The level of openness or exclusion of the agricultural sector in relation to export;
- (b) The type of agricultural trade strategy adopted in the country; and
- (c) Providing agricultural sector skills in foreign trade.

After a small increase in agricultural sales shares in GDP and total GDP from the agricultural sector in the 70s, both shares declined in the 1980s. However, since the early nineties there has been a dramatic increase in these stocks.

Exports of agricultural products increased slightly compared to imports. India's exports have increased since the 1991 revolution. In the post-reform period the annual growth rate of imports was almost 10 percent and the Indian share in exports increased from 0.5 percent in the first half of 1990 to 0.7 percent. 2000-01.

Table No: 1.3
Share of Agriculture and Non-agriculture export in total Exports of India

Year	Total Exports (Million USD)	Agriculture and allied products Export (Million USD)	Percentage Share of Agricultural Export	Percentage Share of Non-agricultural Export
1991-92	1786.4	3202.5	17.9	82.1

1992-93	18537.2	3135.8	16.9	83.1
1993-94	22238.3	4027.5	18.1	81.9
1994-95	26330.5	4226.1	16.1	83.9
1995-96	31794.9	6081.9	19.1	80.9
1996-97	33469.7	6862.7	20.5	79.5
1997-98	35006.4	6626.2	18.9	81.1
1998-99	33218.7	6034.5	18.2	81.8
1999-2000	36822.4	5608	15.2	84.8
2000-01	44560.3	5973.2	13.4	86.6
2001-02	43826.7	5901.2	13.5	86.5
2002-03	52719.4	6710	12.7	87.3
2003-04	63842.6	7533.1	11.8	88.2
2004-05	83535.9	8474.7	10.1	89.9
2005-06	103090.5	10213.8	9.9	90.1
2006-07	126361.5	12683.5	10.0	90
2007-08	159006.7	19398.8	12.2	87.8
2008-09	173865.3	17774.5	10.2	89.8
2009-10	184770.0	19572.4	10.6	89.4
2010-11	193570.0	203248.5	10.5	89.5
2016-17	275852.43	22,916.66	8.31	91.69

2017 - 18	3,03,526. 16	26,101.10	8.60	91.4
2018 - 19	3,30,078. 09	26,949.55	8.16	91.84
2019 - 20	3,13,361. 04	23,227.00	7.41	92.59
2020 - 21	2,91,105. 77	29,814.45	10.24	89.76

Source: Directorate General of Commercial Intelligence and Statistics, Government of India

The gradual increase in agricultural exports requires a major overhaul of India's agricultural strategy in order to achieve higher crop production rates where India is relatively profitable and produces more exports. The government's commitment to agriculture is reflected in the target of a 4% growth target under the Eleventh program. In its quest for rapid growth, India must increase its agricultural growth rate by 2.0 percent to reach a long-term level of about 4% per annum. The contribution of agricultural products exported to India in full exports to India in 2009-10 stood at 9.4 percent. There is an increase in agricultural sales volume from 3130.08 million USD in 1991-92 to 16753.23 in 2009-10.

Despite the economic downturn that followed during the violence, FY 2020-21 foreign trades saw a growing trend in certain sectors and areas due to unique market demand and supply disruption. Products between 2020-21 grew by 10.24 percent to 29,814.45 million. In 2018-19, they traveled approximately 26,949.55 million, after which they dropped to 23,227.00 million in 2019-20. The growth was due to the opportunities offered by Covid-19. It was also due to various programs emerging from the agricultural policy that came into effect in December 2018. It was used in districts and collections. Many collections and regions that have not exported before have begun to do so now. India is seeing growth in exports of grain, non-basmati rice, wheat, sorghum, maize, and other grains. The major markets for Indian agricultural products are the US, China, Bangladesh, UAE, Vietnam, Saudi Arabia, Indonesia, Nepal, Iran, and Malaysia.

1.3: Conclusion:

In India, the agricultural sector's GDP share has declined since independence. However, the sector accounts for about 14.1 percent of GDP. It is noteworthy that the share of the agricultural sector in India is very high compared to other nations.

In terms of agricultural exports, there is a gradual decrease in the percentage of the first product share in export value from 17.9 percent to 10.5 percent during the study period. This is an indication of the slow growth of agricultural exports compared to exports. There has been a tremendous growth in agricultural exports since the beginning of globalization and freedom. The rate of agricultural exports to India through agricultural exports increased during the study period.

The Indian government needs to take practical steps to increase agricultural exports in the future. Although the government has taken many steps and implemented a policy of many reforms regarding agricultural trade. The government has also tried to improve the quality and quantity of its agricultural products but it is not enough. These policies and strategies must be applied with great accuracy and control. Only then will India be able to achieve the highest share of agricultural exports.

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