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### Short Profile

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### ABSTRACT:

Agriculture is the backbone of Indian economy providing livelihood to more than 75% of the Indian population. Agricultural development is a major issue that has to be focused to overcome the problems faced in this sector. This research is an attempt to understand changing scenario of Indian agriculture, the problems, issues and challenges associated with this sector and provide approaches and measures for agricultural development. Agriculture acts as a lead sector that yields surplus capital and put on an optimum growth path in order to meet the fast growing demand in the national and international market.

### **KEYWORDS** Changing scenario, Indian economy, Indian Agriculture.











### 1.INTRODUCTION

Agriculture has always been an important source of employment for the majority of our population. Though it was the predominant sector its productivity was very low. With the beginning of era of planned development in 1950-51 it was recognized that agricultural development is the key for rural economic development. Performance of agriculture sector was also considered crucial for overall development of vast majority of people of India and for attaining several economy wide goals. It was thus imperative to follow the policies and development strategies which favoured quick and high growth rate of agriculture.

Agricultural technology has changed gradually from its traditional stage to modern stage. It refers to combination of inputs used to improve and enhance agricultural technology and reforms have benefited the farmers in terms of increased agricultural production and consumers in terms of reduced price with better quality output. It deals with knowledge of equipment used to enhance agricultural productivity. Selection of a suitable technology is proving important as an efficient production system.

### 2.AGRICULTURAL GROWTH SLOWS IN 2012-13

Development of agricultural sector in India has traversed a period of five decades since the country achieved independence in 1947. Agricultural sector assumed prime importance in the development process of the Indian economy. More than 80% of the population living in rural areas are dependent for their wherewithal on this sector which provides them with gainful employment. Serious efforts have to be made to tone up the agricultural sector for higher growth through strengthening agricultural research system.

However on the eve of independence, agriculture in India was in a hopeless and miserable condition. It was backward and qualitatively traditional in nature. Productivity per hectare and per Labour was very low. Country was not self-reliant in the production and has to depend on import of food grains. Farmers were living in deplorable conditions. Keeping in view the rapid development of agricultural sector, policy-makers chalked out the development strategy to raise the production and productivity level. WTO agreements and trade policy reforms are bound to have important implication on Indian agriculture.

With the introduction of Green Revolution in 1960s and consequent generation of agricultural surplus a new trend of commercialisation started emerging in the Indian agriculture which was con-trary to the traditional subsistent nature. Another emerging trend in the Indian agricul-ture was leading towards diversification, opening up the prospects for dairying, horticulture, truck farming, floriculture, aquaculture, sericulture, api-culture and agro-forestry etc.

There is a marked shift from the cultivation of food grains to commercial crops. However, there has been a renewed policy thrust from the government since mid 2000s to revive agricultural growth through various development programmes such as interest subvention on crop loans, The National Food Security Mission, The National Agriculture Development Programme (Rashtriya Krishi Vikas Yojana) and the Pulses Development Programme. These programmes were likely to affect agricultural growth and farmers' income in the country by providing greater flexibility to the state governments to allocate resources to the priority areas of development.

The GDP share of agriculture and allied sector is estimated at 13.7 per cent in 2012–13 against 14.1 per cent in 2011–12. Monsoon rainfall is one of the critical factors influencing India's production prospects for food commodities. Besides rainfall, the price environment for output and inputs faced by the farmers, input availability conditions, marketing infrastructure, policies for the sector, and global

trade environment also determine the overall outlook for the food commodities. Agricultural credit is a key enabler of agricultural production activities. For 2013–14 the target for institutional agricultural credit has been set by the government in its annual budget at 700,000 crore, an increase of 22 per cent from 2012–13 of over 575,000 crore.

### 3. OBJECTIVES OF THE STUDY

- 1.To study the recent trends in agriculture and to understand the revolution in Indian agricultural sector in general.
- 2.To Study problems and challenges associated with agricultural sector in India

### 4.RESEARCH METHODOLOGY

The study relies on secondary data compiled from various published sources.

### 5.CHALLENGES FACED BY AGRICULTURAL SECTOR IN INDIA

Despite of many efforts Indian agriculture is facing many challenges from time to time

- 1. Unavailability of cheap credit facilities for agricultural development in rural areas.
- 2. Unavailability of suitable technology for rain-fed and dry land areas.
- 3. Absorption of surplus labour
- 4. Reviewing of existing price support policy for the benefit of poor farmers
- 5. Strict implementation of land reforms to achieve higher agricultural growth rate.
- 6. Development of agro-based industries.
- 7. Improvement in the efficiency of agricultural marketing to save the small farmers from exploitation and malpractices of middlemen.

Despite wide fluctuations in agricultural production due to frequent natural calamities like drought and floods, India's agricultural growth since independence is indeed creditable.

The success of green revolution in Punjab has attracted a great deal of attention of the researchers. New production technology has been widely adopted and has led to a phenomenal increase in agricultural output and income. Though small and marginal farmers are very adaptive to crop technologies, lack of resources (especially credit) makes them non-participants. These farmers are lured by market signals, but also not have strength to deal with the market risks. Their problems are aggravated with declining public investment in agriculture.

### POLICY REFORMS IN AGRICULTURAL SECTOR

As the primary sector, agriculture has to generate surpluses for financing economic growth. Secondly it has to ensure productivity employment and adequate income to large number of households dependent on this sector. Agriculture has a pivotal role in ensuring food security.

Nation has to focus on certain policies for bringing reforms in this sector:

1. Price Policies

- 2. Policies on subsidies
- 3.Trade policy

India is currently at a cross road. It is simultaneously facing major short term adjustment problems of critical foreign exchange storage and the prospects of continuation of a less favourable international environment. India is very large producer and consumer of agricultural commodities by world standard. It has a large share in the world's agricultural output. New farm technology, integrated pest management, mechanization, labour and agricultural wages, agriculture credit and insurance, agricultural extension services, agricultural prices and markets has played a very important role in enhancing food production and catered wide agricultural market.

### 6.REASONS FOR POOR PERFORMANCE OF AGRICULTURAL EXPORT

Agriculture is a critical sector of the Indian economy. Major primary exports and traditional manufactured products were subject to export taxes in India. Lack of efficient macro economic policies and lack of export surpluses seemed to be the two basic reasons for the poor performance of agricultural exports in India.

Expanding urbanisation and industrialisation forcing conversion of agricultural land to non-agricultural uses has led to decline in the area under cultivation. Poor progress of irrigation and fertiliser, decline in the electricity supply and slowdown in diversification, Farm mechanization can also address the issues of scarcity of farm labour during peak agricultural seasons. Availability of labour to work in agriculture is crucial in sustaining agricultural production has also resulted in poor agricultural performance.

There are number of factors contributed for the slowdown in growth of agriculture. It can be seen that there is a reduction in public investment unlike other sectors. Volatile output prices, reduction of subsidies on inputs, Climate change, dependency on high cost inputs, increased cost of cultivation which is not backed by adequate credit supply. Crop failures and faulty remunerative prices have also pushed the farmers into debt.

### 7.ROLE OF GOVERNMENT IN AGRICULTURAL DEVELOPMENT

### The Central Government has to sum up following activities in relation to agriculture:-

- 1. The planning of agricultural development jointly with the planning commission
- 2.Co-ordinating with state agricultural plans
- 3. Providing financial assistance to state agricultural schemes
- 4. Ensuring the supply of agricultural inputs
- 5. Providing economic incentives to farmers
- 6. Providing credit for warehousing, transport and marketing facilities
- 7. Extending education to make farmers receptive to scientific farming practices
- 8. Providing technical advice and assistance to state in implementing programmes

The National Commission on Agricultural was constituted during 1970's to develop agriculture and to look into almost all the problems in agricultural sector. KCC is an innovative tool of credit delivery to meet the production credit requirement of the Farmer's in a timely and convenient manner. The National Agricultural Insurance Scheme provides risk coverage of the crops on the basis of their yield.

### 8.SUGGESTIONS AND CONCLUSION

Overall assessment of the sector's growth suggests that green revolution period has been the golden period for Indian agriculture that witnessed tremendous growth in both agricultural output and input use. It has made great strides over the years. Agriculture is an important sector of the Indian economy, accounting for 14% of the nation's GDP about 11% of its exports, about half of the population still relies on agriculture as its principal source of income and it is a source of raw material for a large number of industries.

The corporate sector has an important role to play in generation and diffusion of technology in the years. This was a major driver of change in Indian agriculture. However, technological advancement alone, without access to markets, was not sufficient to bring about a revolutionary change. Another noticeable trend in recent years was that of a structural transformation in the agri-system which had significant repercussions for agriculture in due course. The traditional agri-system that stretched from input dealers to farmers to aggregators, wholesalers, processors and retailers, has witnessed a new trend during the past 6-7 years; namely, the entry of major corporate firms. These players are entering at the front end in organized food processing and retailing. The growth in agriculture decelerated from 10 per cent in 2003-04 to 4.9 per cent in 2007-08 and further to 1.6 per cent in 2008-09 as per reports.

Indian agriculture can benefit, if the government allocate large resources in rural infrastructure particularly irrigation, rural electrification research and extension. Promotion of micro-irrigation techniques and alignment of cropping pattern with the availability of water can lead to improvement in agriculture. This requires a strong political will. Indian agriculture has to become cost-effective and internationally competitive. Ensuring adequate supply of Agricultural inputs and infrastructure services to meet the challenges of uncertain weather is a continuing challenge for policy makers. Other challenges are:

- 1. Improvement in irrigation facilities
- 2. Improvement in manures and fertilisers
- 3. Improved use of HYV seeds
- 4. Need of agricultural credit
- 5. Need of agricultural training
- 6.Improvement in crop rotation system
- 7. Improvement in transportation and marketing facilities for the supply of agricultural products
- 8. Need of crop insurance
- 9.Improvement in agricultural implements

Research and Development to trade and market, natural resource governance to collective action by agricultural producers, agricultural extension and rural advisory services are necessary to bring knowledge, technologies and services to farmers and entrepreneurs.

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