



INDIAN ECONOMY AN ANALYTICAL STUDY OF AGRICULTURE SECTOR

Dr. Bhosale Shirish Nagnath

Head of the Department, Department of Economics,
A.R. Burla Mahila Varishtha Mahavidyalaya, Solapur.



ABSTRACT

Agriculture is an important part of India's economy and it is currently one of the first two producing countries in the world. The sector provides employment for approximately 52 per cent of the total work available in India and contributes 16.1 per cent to GDP. Agriculture is the only means of living for almost two thirds of the working class in India. According to the economic data of FY16-17, the agriculture sector has achieved 7% of India's GDP. About 45percent of India's geographical area is covered by India's agricultural sector.

KEYWORDS: Green Product, Recyclable, Environmentally safe, Eco Friendly.

INTRODUCTION

Agriculture is the primary sector of the economy. It directly consumes natural resources. This is different from the secondary sector (production of manufactured and other processed goods) and tertiary sector (production services). This area is usually less important in less developed countries and especially in industrialized countries. After the industrial revolution, the vast majority of the population worked in agriculture. Pre-industrial farming was especially a guarantee in which the peasant farmers harvested most of their produce for their own use rather than for cash. Responding to the development of new technologies and global markets, agricultural practices have changed significantly over the past century. It also led to technological improvements in agricultural technology. Now, with its allied area, agriculture is undoubtedly India's largest subsidiary of livelihoods, more so in rural areas. It also contributes significantly to gross production. Most industries also depend on agriculture for their raw materials. Having a planned outlook on development has helped the country to reach a stage where the country is self-sufficient in food and has a comfortable buffer stock. This performance is made possible mainly because of the favourable strategic framework. The policy of Indian agriculture was to achieve food security by promoting equitable access to food. As a result, severe droughts became a thing of the past, and even in adverse weather conditions, agricultural production did not show great change.

AGRICULTURE TRADE:

Pomegranates, edible oils, fresh fruits and nuts are imported into India .The major commodities are. Rice, spices, cotton, meat and its preparations, sugar, etc. The share of agricultural imports of major commodities exported by India has increased from 2.8% in 1990-91 in 1990 to 4.22% in 2014. However, the share of agricultural exports has come down from 18.5% to 12.7.7%.

Table 1.1 Export of Agriculture (in Billion \$)

Sr. No.	Commodity	Year		
		2013-14	14-15	15-16
1.	Rice	6.2	7.8	7.9
2.	Preparation of Meat and Meat	3.3	4.5	4.9
3.	Processed Food	2.8	2.7	2.7
4.	Spices	2.8	2.5	2.4
5.	Oil Meals	3.0	2.8	1.3
6.	Sugar	1.6	1.2	0.9
7.	Wheat	1.9	1.6	0.8
8.	Pulses	0.2	0.3	0.2
9.	Agriculture Export	32.0	33.0	30.1

Source: Annual Report, Department of Commerce

The above table 1.1 describes about the export of agriculture from 2013-14 to 2015-16 and it was observed that in the year 2013-14 to 2015-16 export of rice was 6.2, 7.8 and 7.9 billion, preparation of Meat and Meat was 3.3, 4.5 and 4.9 billion, processed food export was 2.8, 2.7 and 2.7 billion, exports of spices are 2.8, 2.5 and 2.4 billion, export of oil means was 3.0, 2.8 and 1.3 billion, export of sugar was 1.6, 1.2 and 0.9 billion, export of wheat was 1.9, 1.6 and 0.8 billion, export of pulses was 0.2, 0.3 and 0.2 billion, whereas the highest of export was agriculture which is 32.0, 33.0 and 30.1 billion from 2013-14 to 2015-16

Table 1.2 Import of Agriculture (in Billion \$)

Sr. No.	Commodity	Year		
		2013-14	14-15	15-16
1.	Pulses	2.4	1.8	2.8
2.	Cashew	1.0	0.8	1.1
3.	Vegetable Oils	9.9	7.2	10.6
4.	Fresh Fruits	1.1	1.3	1.6
5.	Spices	0.5	0.6	0.7
6.	Sugar	0.4	0.4	0.6
7.	Cocoa Products	0.2	0.2	0.3
8.	Natural Rubber	0.8	0.9	0.9
9.	Agriculture Import	16.8	14.9	15.9

Source: Annual Report, Department of Commerce

The above table 1.2 import of export and it was observed that the import of agriculture from 2013-14 to 2015-16 and it was observed that in the year 2013-14 to 2015-16 import of pulses was 2.4, 1.8 and 2.8 billion, import of cashew was 1.0, 0.8 and 1.1 billion, import of vegetable oils was 9.9, 7.2 and 10.6 billion, import of fresh fruits was 1.1, 1.3 and 1.6 billion, import of spices are 0.5, 0.6 and 0.7 billion, import of sugar was 0.4, 0.4 and 0.6 billion, import of cocoa products are 0.2, 0.2 and 0.3 billion, import of natural rubber was 0.8, 0.9 and 0.9 billion, whereas the highest import of agriculture was 16.8, 14.9 and 15.9 billion.

Factors such as domestic availability of goods cost of production and global price levels affect India's trade policy. However, frequent changes in trade policies, such as reducing import tariffs on a commodity in the wake of supply shortages, or lowering export prices to facilitate the export of a commodity, can adversely affect agro-development Process area.

Factor Affecting on Agriculture Product:**Increase in Small Land Holding:**

As of 2012-13, 140 million hectares of land is used as agricultural area. Over the years, the area has been cut into small pieces. As seen in following table 1.3, the number of marginal land holdings (less than one hectare) increased from 36 million in 1971 to 93 million in 2011. There are many issues that arise in terms of mechanization and the use of irrigation techniques in the border and small land retention.

Table 1.3 Holding of Agricultural (Million)

Sr. No.	Holding	1970-71	1980-81	1990-91	2000-02	2010-11
1.	Marginal	36	50	63	75	93
2.	Small	13	16	20	23	25
3.	Medium	19	21	22	21	20
4.	Large	3	2	2	1	1
5.	All Size	71	89	107	120	138

Source: Census of Agricultural 2011

Small land holdings are either pieces of large holdings that have been passed on to the family or are informally rented by a large holder, which farmers who cultivate these holders usually do not have a formal lease agreement. The absence of such land records could not provide formal credit to these farmers or qualify for the government benefits of such input subsidies or crop insurance schemes.

LAND RECORD AND INFORMAL LEASING:

Of the total agricultural area, 10 per cent of the land is given on agricultural leases, while the percentage of rented land varies across the state. 35% Rent in Andhra Pradesh, 26%, in Punjab, 22% in Bihar and 18% in Sikkim. In the past, states like Karnataka and West Bengal have tried to give tenant farmers legal rights by creating electronic records of land holders and giving tenant farmers the rights to their produce.

Currently, the laws of tenants of agricultural land vary from state to state. States like Kerala, Jammu and Kashmir and Manipur have completely banned the grant of land for agriculture. Other landowners like Bihar, Karnataka, Uttar Pradesh, Telangana and Odisha are allowed to rent land only through a few leases. On the other hand, states like Gujarat, Maharashtra and Assam do not explicitly prohibit leasing and allow tenants to purchase land from a tenant owner after a certain period of time. In Andhra Pradesh, Tamil Nadu and West Bengal, there is no legal restriction on renting land. Different states also have different limitations on the area of rental space.

NITI Commissioners propose Model Land Lease Law to legalize land leasing. This will ensure that landowners have ownership rights and that land tenants are safe in their tenants. Legalizing land tenants will ensure that farmers get formal credit, insurance and equipment such as fertilizers. The couple's table covers land acquisition restrictions and the Model Land Leasing Act has been implemented in the states. So far only Madhya Pradesh has adopted the Model Land Leasing Act.

Table 1.4 Sources of Agriculture Credit and Land Holding

Sr. No.	Land Size (Ha)	Co-operative Society	Bank	Money Lender	Shopkeeper / Trader	Relatives/ Friends	Others
1.	0-1	10%	27%	41%	4%	14%	4%
2.	1-2	15%	48%	23%	2%	8%	6%
3.	2-4	16%	50%	24%	1%	6%	4%
4.	4-10	18%	50%	19%	1%	7%	6%
5.	10 above	14%	64%	16%	1%	4%	2%

Source: Reserve Bank of India, PRS

Farmers with less than one hectare area mainly borrow from informal sources through lenders (41%), while those with two or more hectares of land borrowed mainly from banks (50% or more), among other major sources of agricultural credit: shopkeepers, relatives or friends And co-operatives. Important issues related to agricultural credit are the lack of formal credit due to unclear land records, the ratio between short-term and long-term agricultural credit and insufficient access to crop insurance.

Short Term and Long Term Credit:

Short-term credit is generally used for pre- and post-harvest activities such as weeding, harvesting, sorting and transportation. Long-term credit is usually used to invest in agricultural machinery and equipment, irrigation and other developmental work. The short-term and long-term agricultural credit of the country has increased in the last few decades. 1990-91 Most of the crop loans taken in 2011-12 were long-term credit, while short-term loans accounted for only a quarter of all agricultural loans. The credit societies had a 61% short term, while a long term parent had a 39% stake. In addition, small and marginal farmers, who make up about 86% of the total land holders, borrow small or medium-term landlords for short-term loans. The group also has the largest share of borrowing from credit sources like lenders, family and friends.

Inadequate Access to Crop Insurance:

Up to 10% of Indian farmers are covered in crop insurance plan. Some of the persistent questions in the crop insurance system include (i) ignorance of insurance plans, (ii) inadequate coverage of insurance plans, (iii) assessment of the extent of crop damage losses, and (iv) timely claims settlement. The Finance Standing Committee has recommended that the crop loss assessment should be completed and the compensation should be credited directly to the farmers' accounts in a timely manner. In addition, in order to reduce unproductive credit, the government should raise awareness about which crops should be taken on the basis of soil quality and rainfall events etc. in different regions.

The Financial Inclusion Committee under the Reserve Bank of India had recommended that credit eligibility certificates, which should be given to tenants as tenants / leasehold certificates, should be given to tenant farmers. These certificates will also enable landless farmers to obtain agricultural credit. The Reserve Bank of India has recommended that banks should issue guidelines against lending against these certificates.

CONCLUSION:

From the study it concluded that the export of agriculture in the year 2013-14 to 15-16 has increases, import of agriculture also increases and different factors were affected on agriculture industry like increase in small land holding, increased from 36 million in 1971 to 93 million in 2011. In the year it was 71 million hector that is Marginal Land, Small Land, Medium Land and Large size of Lands and by the year 2011 it was 138 million of hector.

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