

Ploughing the path to prosperity: India's agricultural growth and its importance and challenges.

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ABSTRACT: India's agricultural sector has historically played a pivotal role in the country's economic development. This abstract explores the multifaceted contribution of agriculture to India's economic growth. Agriculture in India has been a major source of livelihood for a significant portion of its population, directly employing over half of the workforce. The sector's substantial labor absorption has contributed to poverty alleviation and rural development by providing income opportunities and improving living standards in rural areas. Furthermore, agriculture has been a vital contributor to India's GDP, providing essential raw materials for various industries, including textiles, agro-processing, and pharmaceuticals. It has also been a source of foreign exchange earnings through exports of agricultural products such as rice, wheat, spices, and tea. Food security, a fundamental aspect of agriculture, is integral to India's economic stability. Ensuring a consistent and adequate supply of food is crucial for a growing population. The Green Revolution in the 1960s and 1970s significantly increased agricultural productivity, ensuring a consistent food supply and stabilizing food prices. In conclusion, agriculture's multifaceted contribution to India's economic development is indisputable. Its role in providing employment, contributing to GDP, and supporting various industries underscores its significance. Moreover, the nexus between agriculture and food security is vital for ensuring the well-being of the nation's citizens and maintaining economic stability.

Keywords: agriculture sector, production, economic development

INTRODUCTION: Agriculture has played a significant role in India's economy throughout its history. It has been the backbone of the country's economic and social development. Agriculture was the foundation of India's ancient civilizations, such as the Indus Valley Civilization and Vedic period, enabling settled communities to thrive. In pre-modern India, agriculture formed the primary economic activity, providing livelihoods to a majority of the population. During British rule, agriculture was heavily exploited for raw materials, which impacted India's economic prospects and led to famines. In the mid-20th century, the Green Revolution boosted agricultural productivity through the introduction of

high-yielding crop varieties, fertilizers, and irrigation, making India self-sufficient in food production. Agriculture has long been the backbone of India's economy, playing a pivotal role in its development and sustenance. This sector, employing a significant portion of the population, has contributed substantially to the country's economic growth over the years. However, despite its historical significance, Indian agriculture faces a myriad of challenges that threaten its continued prosperity and development. This paper explores the vital role of agriculture in India's economic growth and delves into the pressing issues and challenges that confront this sector, highlighting the need for innovative solutions and policies to ensure its sustainable development in the years to come.

LITERATURE REVIEW

1. P. Neetu (2009), the name of the study is “**Contribution of Agriculture in the Development of Indian Economy**”. This study has analysed the share of agriculture sector in total gross domestic product, national income in India. It was also tried to study the role of agriculture sector in employment generation and exports. Agriculture plays a significant role in reducing inflation, increasing agricultural earnings, and creating jobs. The central government has actively contributed to the development of all facets of agriculture as a result of its recognition of the significance of agricultural production for economic growth. By giving emphasis on agriculture sector, this study tried to analyse the contribution of agriculture in the development of Indian Economy.
2. L. Praburaj (2018), the name of the study is “**Role of Agriculture in the Economic Development of a Country**”. Together with industrialization and urbanisation, increase in agricultural productivity and per-capita income in rural areas result in a higher demand for industrial production. Given that increasing agricultural productivity and output tend to significantly contribute to the nation's overall economic development, it would be reasonable and desirable to place more focus on the agricultural sector's continued development. This study aims to analyse the role of agriculture in the economic development of a country.
3. S. Kalpana & S. Narayan (2012), the name of the study is “**Investigating the Impact of Agriculture and Industrial Sector on Economic Growth of India**”. By taking into account factors like gross domestic product (GDP), per-capita gross national income (PcGNI), gross domestic saving (GDS), gross domestic capital formation (GDCF), and production of both the agricultural and industrial sectors, the current study seeks to examine the contributions of both the agricultural and industrial sectors to the Indian economy. The entire analysis is based on secondary data that was gathered from the Reserve Bank of India's Handbook of Statistics on Indian Economy. First, the Phillips-Perron test was used in this investigation to determine whether the variables were stable. According to the study, agriculture is essential to both industry and the economy. Without agriculture and industry, the Indian economy cannot function or thrive. They are like the two hands of the country. Therefore, it is essential for a growing country to prioritise both agriculture and industry, especially in the early phases of economic development.
4. B. Jayson & M.C. Amanda (2021), the name of the study is “**The Importance of Agriculture in the Economy: Impacts from COVID-19**”. In addition to the impact of COVID-19 on

changes in agricultural production and trade, this study analysis takes into account the significance of FAFH to the wider economy. To determine the effects on the gross domestic product (GDP), this study collect data on the actual changes to these components as well as comparable shocks to non-agricultural sectors. Then, they use a simulation model to calculate the effects. According to the findings, COVID-19-related changes in agriculture have a greater impact on the total U.S. economy than the sector's initial economic share did. But by a magnitude of 3, the effects of non-agricultural shocks still outweigh those of agriculture.

5. Sidhu, D.S. (1990) says, "An efficient marketing system can be an effective agent of change and an important means for raising the income levels of the farmers and satisfaction levels of the consumers. It can be harnessed to improve the quality of life of the masses. Hence policies to increase marketing efficiency need serious consideration."

RESEARCH METHODOLOGY

a. Research Approach:

This study adopts a qualitative research approach to analyze the data on the growth of agriculture and the sectoral contribution towards GDP of India.

b. Data Collection:

All data used in this research is secondary, sourced from reliable and publicly available databases, which include publication on Economic Survey Reports of various years, data from the Ministry of Statistics and Programme Implementation (MoSPI), Government of India, and other relevant scholarly articles.

c. Data Period:

The data used in the analysis spans a specific period to ensure consistency and comparability, from 1991 to 2021.

d. Data Analysis:

The study involves conducting descriptive statistics to provide an overview of the state of agriculture in India over the selected period. Graphs, charts, and tables have been utilized to present the data visually.

e. Data Limitations:

As this research relies solely on secondary data, it is subject to the limitations of the data sources used. There may be potential discrepancies, missing data points, or variations in data across different sources.

CONTRIBUTION OF AGRICULTURE TO INDIA'S GDP GROWTH AND ECONOMIC DEVELOPMENT:

Agriculture has long been a cornerstone of India's economic landscape, contributing significantly to the country's GDP growth. Historically, it has accounted for approximately 15-17% of India's GDP. This sector has played a crucial role in providing livelihoods to a vast population, especially in rural areas. However, over the years, the relative contribution of agriculture to GDP has gradually declined as India has

witnessed rapid growth in other sectors such as manufacturing and services. Despite this decline, agriculture remains a vital component of India's economy, ensuring food security and rural development. Efforts to modernize and diversify agricultural practices, coupled with government initiatives, aim to enhance productivity and sustainability, thereby strengthening agriculture's enduring contribution to India's economic growth. The agricultural sector in India offers several opportunities for economic development:

- **Employment Generation:** Agriculture is a significant source of employment, providing livelihoods to a large portion of the population, especially in rural areas.
- **Food Security:** A strong agricultural sector ensures food security by producing staple crops needed to feed the nation's growing population.
- **Export Potential:** India has the potential to become a major player in the global agricultural export market, offering opportunities to earn foreign exchange.
- **Technology Adoption:** The adoption of modern farming techniques, like precision agriculture and biotechnology, can increase productivity and efficiency.
- **Rural Development:** Investment in rural infrastructure, such as roads, irrigation, and storage facilities, can stimulate economic development in rural areas.
- **Organic Farming:** Growing global demand for organic produce presents an opportunity for Indian farmers to enter this high-value niche market.
- **Agri-Tourism:** Promoting agri-tourism can attract tourists to rural areas, generating income for farmers and boosting local economies.
- **Government Initiatives:** Various government schemes and initiatives, such as "Make in India" and "Digital India," aim to promote agriculture and related sectors, providing support and incentives for growth.

Harnessing these opportunities requires a coordinated effort involving government policies, private sector investments, technological advancements, and sustainable agricultural practices to unlock the full economic potential of India's agriculture sector. India is a predominantly agricultural country. It is mostly an agricultural nation due to its climate.

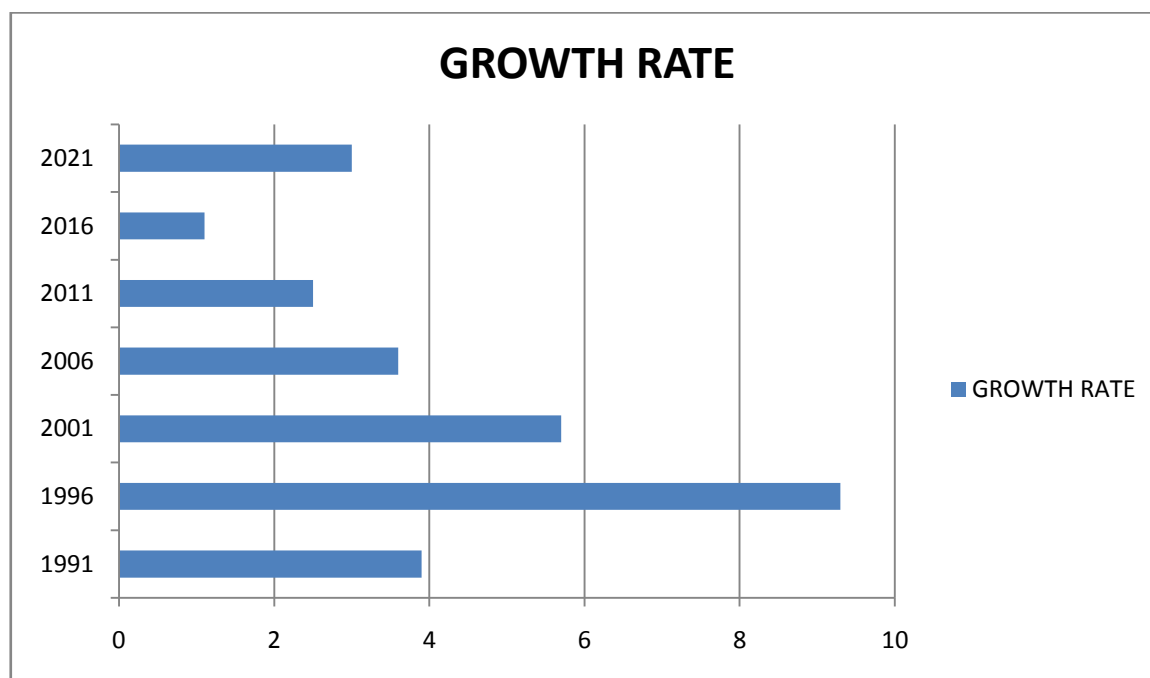
GROWTH RATE OF THE AGRICULTURAL SECTOR: Historically, agriculture has been the backbone of India's economy and society for thousands of years. India has vast agricultural land, climate diversity and a high labour force which helps the country to achieve a high growth rate in this sector. Approximately 70% of people in India work in the agriculture sector each year. So, the country is known as an agricultural-based country. The following table shows the growth rate of agriculture in India every 5 years since 1991-

Sl.No	Year	Growth rate(In%)
1	1991	3.9
2	1996	9.3
3	2001	5.7
4	2006	3.6
5	2011	2.5
6	2016	1.1
7	2021	3

Source: Ministry of Statistics and Programme Implementation

The above table shows that from 1991 to 2021, the country has faced different growth rates

in agriculture. In 1991, the agricultural growth rate of India was 3.9%, which increased to 9.3% in 1996. One of the finest years for foodgrain production was 1996-97, which helped to raise the overall growth rate of 5.4% in 2001-02 was supported by different growth rates in various sectors. The highest contribution was from the service sector, which was 6.5%, then the agriculture sector and lastly, the industrial sector. Each sector played a role in contributing to the overall economic growth during that period. The growth rate of agriculture decreased to 3.6% in 2006. At the end of 2006 or the start of the eleventh five-year plan from 2007, the average annual growth rate of 3.6% in the Gross Domestic Product from the agriculture sector and allied sector, which fell short of the target of 4.0%. In 2011, it decreased to 2.5% and became the lowest in 2016, which was 1.1%. After 2016, it started to increase and became 3% in 2021, which was comparatively lower than 1991-2000 period, but higher than 2010-2017 period. In the 2022-23 budget, it has seen that the growth rate of agriculture is 3.5% which is comparatively higher than the previous year.



The graph has been used to show the growth rate of agriculture in India.

CHALLENGES FACED BY THE AGRICULTURE SECTOR: The agricultural sector in India faces several challenges and they are as follows:

- **Monsoonal Dependency:** Indian agriculture heavily relies on the monsoon season, making it vulnerable to erratic rainfall and droughts.
- **Small Land Holdings:** Fragmented land holdings make mechanization difficult and reduce economies of scale.
- **Low Productivity:** Many farmers still use traditional and outdated farming techniques, leading to low agricultural productivity.

- **Lack of Infrastructure:** Inadequate rural infrastructure, like roads and storage facilities, hampers the transportation and preservation of agricultural produce.
- **Market Access:** Limited access to markets and price fluctuations leave farmers vulnerable to exploitation by middlemen.
- **Credit and Finance:** Many farmers lack access to formal credit, hindering their ability to invest in modern farming practices.
- **Water Scarcity:** Depleting groundwater levels and inefficient irrigation practices contribute to water scarcity issues.
- **Pests and Diseases:** Outbreaks of pests and diseases can devastate crops, leading to substantial losses.
- **Climate Change:** Changing weather patterns and increased frequency of extreme weather events pose a threat to crop yields and food security.
- **Lack of Crop Diversity:** Overemphasis on a few staple crops can lead to vulnerabilities in the event of crop failures or price fluctuations.
- **Farmers' Income:** Low and unstable income for farmers remains a persistent issue, leading to a cycle of debt and poverty.

Addressing these challenges requires a holistic approach involving investment in infrastructure, technology so that the agricultural sector flourishes in India.

CONCLUSION:In conclusion, the agricultural sector in India stands at a critical juncture, balancing the demands of a growing population, environmental sustainability, and economic viability. Despite facing numerous challenges, including land fragmentation, water scarcity, and fluctuating crop prices, the sector remains the backbone of the country's economy, providing livelihoods to millions. With the adoption of modern technologies, sustainable farming practices, and government initiatives aimed at enhancing agricultural productivity, India has the potential to not only feed its burgeoning population but also become a global agricultural powerhouse. However, achieving this potential requires continued investments, policy reforms, and community participation to ensure a prosperous and sustainable future for Indian agriculture

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