

Indian Agriculture: Features, Problems and Reforms

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Abstract

Agriculture is the backbone of Indian economy. It plays a vital role in the development of our country. That's Why India is known as an agrarian country. As per 2018, more than 50% of the Indian workforce employed in agricultural sector and contributed 17%-18% to country's GDP. According to latest report, agriculture is primary source of livelihood for 58% population in India. India ranks first in the world with highest net cropped area followed by US and China. In 2013, India exported \$ 38 billion worth of agricultural products which makes it the 7th largest agricultural exporter worldwide and the 6th largest net exporter. In this context, the present paper reviews the features, problems and reforms of the Indian agriculture with special reference to the impact of Green Revolution. The paper also concludes that much of the slowdown in agriculture is caused due to lack of permanent means of irrigation, deficiency of finance, small and scattered holdings, environmental factors and lack of organized marketing system. This paper also analyze technical, institutional and general reforms made in Indian agriculture.

Keywords: Agriculture, Primary, Source, Economy, Finance.

Introduction

Agriculture is the foundation stone of Indian economy. Nearly 70% of our population is engaged in agriculture and its allied activities. About 45% of our national income is generated by agriculture. It provide food for millions. It supplies raw materials to our major industries. It also provides large scale market for the industry. It is a source of Government revenue. It contributes as main source of exports. This way agriculture is significant to our economic development.

In the contrast, some negative points can be seen in this sector such as suicide committed by farmers over the years, and the victims have largely been marginal and small farmers. Increasing costs of cultivation, leading to higher indebtedness, crop failures and inability to face price rise are some factors which have forced farmers to take this extreme step. If the government implements its agricultural policies properly then large scale employment will be generated in rural areas which can help in reducing migration and strengthening sustainable and inclusive growth. This paper analyze the features and problems of Indian agriculture and also reforms made in this sector.

Objectives of the Study

The major objectives of this study are:

1. To analyze the importance and features of agriculture.
2. To find out problems faced by Indian agriculture.
3. To examine reforms made in Indian agriculture.

Research Methodology

The required information and data for the present study have been collected mainly from secondary sources. For the fulfilment of the above objectives I have chosen the reports mostly published in Government publications, research journals, books etc. Also, I have collected informations from website through internet.

Importance of Agriculture in The Indian Economy

Agriculture is one of the important sector in the Indian economy.

Contribution to GDP

Agriculture makes a significant contribution to GDP in India. During the period of planning, contribution of agricultural sector to GDP had been ranging between 51 to 17.4 percent for different years.

Supply of Foodgrains

Foodgrains are the necessities of life such as wheat, rice, pulses, maize, bajra, oil seeds etc. Agriculture provides foodgrains to about 125 crore of people in India.

Source of Employment

Agriculture is a significant source of employment in India. Over 50% of working population in India is engaged in agricultural sector. As we know that agriculture is the principal source of subsistence for the people of India.

Supply of Raw Material

Agriculture supplies industrial raw material like cotton for the textile industry, seeds for the oil industry, and sugarcane for the sugar mills. As a supplier of raw material, agricultural sector is important for the growth of the industrial sector in the economy.

Contribution to International Trade

Agriculture makes a significant contribution to India's international trade. Thus, in 2018-19 share of agricultural sector in total exports of the country stood at 11.76%. India exports tea, jute, cashewnuts, tobacco, coffee and spices. Exports are a source of foreign exchange, which India needs for the import of defence goods as well as crude oil.

Contribution to Domestic Trade

Agriculture also plays a significant role in the country's domestic trade. It is a clear fact that huge expenditure in India is incurred on the purchase of farm products needed by more than a billion people in the country.

Contribution to National Income

Agriculture contributes a major portion to our national income. After independence contribution of agriculture to national income was very high but after that the share of it has been declining gradually with the growth of other sectors. Then also the share of agriculture still remained very high as compared to that of the developed countries of the world.

Briefly, agriculture in India is of central significance both in terms of production of farm products and in terms of demand for the non-farm products. Our industrial sector is also dependent on agricultural sector.

Features of Indian Agriculture**Low Productivity**

Productivity is extremely low in India compared to advanced nations in the world. It can be understood through Table-1.

Table-1 Productivity of Principal Crops- A comparative look (April 2014)

Crop	Country	Productivity (Tonnes of Output per hectare of Land)
Rice	India	3.6
	Vietnam	5.8
	World	4.5
	Average	
Wheat	India	3.1
	China	6.5
	UK	9.0
	World	3.3

	Average	
Maize	India	2.6
	China	5.8
	USA	10.7
	World	5.6
	Average	

[Source: Agricultural Census Statistics 2016]

Low productivity is a sign of backwardness.

Since agricultural sector generates demand for the industrial sector, backwardness of the agriculture implies slow growth of the industry.

Disguised Unemployment

Disguised Unemployment is a situation of hidden unemployment. It occurs when more number of persons are engaged on a piece of land than whatever is required. So, apparently all are employed. But, in reality, many are unemployed. Even when some are withdrawn, total output will not fall. Disguised unemployment is a distinct feature of the Indian agriculture which reflects backwardness and poverty.

Dependence on Monsoon

Indian agriculture is heavily dependent on Monsoon. Accordingly, crop production is highly uncertain. Favourable monsoon led to have good production of crop and if it is against then it affects crop production. Consequently, growth process fails to be stable.

Lack of Modern Inputs

Modern inputs like HYV seeds, Chemical fertilizers, insecticides and pesticides are not equally used by farmers. It is because the bulk of farmers in India is extremely poor. Lack of modern inputs leads to low productivity and therefore, backwardness.

Subsistence Farming

In India subsistence farming is practiced. It means the primary objective of the farmer is to secure subsistence for his family, it is not to earn profit. It shows that farming in India is not much commercial in nature. Subsistence agriculture fails to generate surplus for investment. It leads to stagnation in agriculture.

Small Land Holdings

Small land holdings are one of the feature of the Indian agriculture. In small holdings mechanized farming cannot be done and farmers are dependent on subsistence rather than to earn profit. This hinders the process of growth in agricultural sector.

Primitive Technology

As maximum farmers are using small holdings for agricultural work, which led them to use primitive technology. We find heavy reliance of cultivators on cattle power and manpower rather than on the modern equipment like tractors and harvester machines. Consequently, productivity remains low.

These features of the Indian agriculture lead to an important conclusion that Indian agriculture is extremely backward, despite the fact that it is of significant importance in the Indian economy.

Problems of Indian Agriculture

Indian agriculture faces a lot of problems which makes it backward as well as stagnant.

Lack of Permanent Means of Irrigation

Crop farming in India is heavily dependent on rainfall. Permanent means of irrigation are extremely deficient. Dependence on rainwater makes Indian agriculture extremely vulnerable.

Deficiency of Finance

Deficiency of finance is another major problem facing Indian agriculture. The small farmers depend upon mahajans, moneylenders and the landlords for their financial needs. The farmers have to pay high rate of interest to them. Institutional finance is extremely scarce in relation to needs of the farmers. Lack of proper finance hinders growth of Indian agriculture. High cost of borrowing leads to vicious circle of poverty of the farmers.

Small and Scattered Holdings

Holdings in India are not only small but scattered as well. Small holdings do not allow the use of modern technology. Scattered holdings increase the cost of farming. This contributes to backwardness of farming and poverty of the farmers.

Conventional Method of Farming

Conventional method of farming is another problem of Indian agriculture. Instead of using modern farm-technology, Indian farmers are still dependent on conventional method of farming. They continue to consider farming more as a means of subsistence and less as a business venture.

Lack of Organized Marketing System

In India, agricultural marketing system is highly organized. A vast majority of the small farmers continue to sell their output in the local markets at reduced rates. Sometimes they have to sell their produce to the mahajans and moneylenders in return for the loans.

Briefly, agriculture in India faces a number of problems ranging from production to the marketing of the crops.

Reforms in Indian Agriculture

The Government of India has taken a series of reform measures since independence to tackle the problems of Indian agriculture.

Technical Reforms**Use of HYV Seeds**

Since 1965, High Yielding Variety seeds have replaced the conventional varieties. HYV seeds have led to a substantial rise in crop productivity.

Use of Chemical Fertilizers

Chemical fertilizers are being increasingly used to enhance productivity. Use of chemical fertilizers has considerably increased overtime. In 2017-18, nearly 265.9 lakh tonnes of chemical fertilizers were used.

Use of Insecticides and Pesticides for Crop Production

Now steps have been taken to protect crops against diseases and insects by using insecticides and pesticides. Fourteen Central Plant Protection Centres have been set-up in this respect. For plant protection, Government has started Integrated Pest Management Programme.

Mechanized means of Cultivation

To spread the use of mechanized means of cultivation several measures have been taken. To

enable the small farmers to buy agricultural machines, cheap credit facilities are provided by Cooperative Societies, small and Marginal Farmers Agencies, Regional Rural Banks and Commercial Banks.

Institutional Reforms**Abolition of Zamindari System**

After independence zamindari system have been abolished. Ownership rights have been given to such people who actually cultivate the land.

Regulations of Rent

Rent has been fixed to put an end to excessive and illegal extortions from the cultivators. Generally, these are not exceed $1/3^{\text{rd}}$ of the value of crop.

Ceiling of Land Holdings

With a view to promoting equality in the distribution of land, ceiling has been imposed on the holding size.

Cooperative Farming

Cooperative Farming is encouraged to enhance bargaining power of the small farmers. Together they can buy inputs at a lower price and sell their produce at a higher price.

General Reforms**Expansion of Irrigation Facilities**

Irrigation facilities have been expanded with a view to increase productivity in agriculture. Across different parts of the country several major and minor irrigation projects have been launched. About 45% of cultivable land comes under irrigation facilities.

Regulated Markets

Regulated markets have been established across all parts of the country. This is with a view to offering remunerative price to the farmers and protect them against exploitation by the middlemen.

Cooperative Marketing Societies

Cooperative marketing societies have been established to enhance bargaining power of the farmers in the markets. These societies ensure that the farmers produce is graded and sold only when remunerative price is available.

Provision of Credit

Cooperative Credit Societies have been set up to provide credit to the farmers at low rate of interest. Also Rural Development Banks have been established to cater to credit needs of the farmers. Commercial Banks and Regional Rural Banks have also been catering to credit needs of the farmers.

Price Support Policy

Under this policy government assures a minimum support price (MSP) to the farmer for his produce so as to protect him against uncertainties of the market.

Green Revolution

Green Revolution started in India in 1970s. It increased foodgrain production by nearly 25%. India became self-sufficient in the production of foodgrains. Initially Green Revolution was restricted largely to wheat and rice growing states of the country such as Punjab, Haryana and Western Uttar Pradesh. Later on the impact of Green Revolution became widespread covering most areas of the country and large number of crops. It led the farmers to use HYV seeds, chemical fertilizers, pesticide, insecticides,

modern tools and machines, irrigation facilities etc. As a result, there has been a substantial jump in crop productivity. It has led to a structural shift in Indian agriculture. This has marked the end of long period stagnation in Indian agriculture.

Conclusion

As we find, agriculture has its own importance in Indian economy. Industrial sector and tertiary sector are dependent on agriculture sector. Indian agriculture is the source of income for large number of Indians. National Income of the country is concerned with the development of Indian agriculture. But Indian agriculture is still backward, despite the fact it is of significant importance in the Indian economy. Now also Indian agriculture is facing a lot of problems. With a view to tackling the problems of Indian agriculture, the government has taken a series of reform measures since independence. Despite some limitations Green Revolution also played an important role in the development of Indian agriculture.

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