

## **SECTORAL TRENDS AND ISSUES—AGRICULTURAL SECTOR**

### ✓ **Importance of Agriculture in the Indian Economy**

#### ➤ **In national income**

In 2016-17 at current price the share of primary sector in gross domestic product of India is 17.36% among it share of agriculture is maximum.

#### ➤ **2. In employment generation**

In 2016 about 53.2 % of the working population is found to be engaged in agriculture.

#### ➤ **3. In industrial development**

Industries like jute, cotton textile, sugar, vanaspati, plantations etc. directly depend on the raw materials supplied by the agricultural sector. Some of the industries such as handloom weaving, oil crushing, rice husking etc. depend on agriculture indirectly.

#### ➤ **4. In exports**

Tea, Jute and cotton textiles are the three major items of India's export. Other items are coffee, fruits and vegetables marine products. In 2016-17 the percentage share of agriculture and allied services was about 12.26% of the total export.

#### ➤ **5. In internal trade**

Agricultural sector in India provides support to the service sectors as well e.g. through agricultural marketing, agricultural credit, transport services etc.

#### ➤ **6. In economic development**

A setback of the agricultural front will lead to increase in the price of agricultural commodity, which in turn will lead to the increase in the price of industrial commodity, resulting in inflation.

#### ➤ **7. With respect to food supply**

The growing population in India increases the importance of food production that is the importance of agricultural production.

#### ➤ **8. With respect to capital supply**

A major part of income of the rich farmers is saved through the banking sector, insurance sector, small savings scheme of post office and non-banking financial institution. From this savings the supply of capital takes place.

## ✓ Features of Indian agriculture / problems of Indian agriculture

1. Low productivity
2. Small size of holding
3. Defective land tenure system
4. Traditional production technique
5. Scarcity of capital
6. Excessive dependence on nature
7. Subsistence farming
8. Amount of uncultivated land
9. Cropping pattern
10. Excessive pressure of increasing population
11. Defective agricultural organisation
12. Dualism in Indian agriculture

## ✓ Causes of low productivity in Indian agriculture

The causes of low productivity can be discussed by making three groups. The groups are:

### **A) General factors**

### **B) Institutional factors and**

### **C) Technological factors**

#### **A) General factors:**

#### **1. Overcrowding in agriculture or excess pressure of increasing population:**

This lead to subdivision and fragmentation of agricultural Holdings decline in land man ratio disguised unemployment etc.

#### **2. Discouraging rural atmosphere or conservative attitude of Indian farmers**

They are not interested in the development of agriculture due to their superstition and belief in fate

#### **3. Financial crisis or insufficient credit facilities or inadequate agricultural credit arrangements.**

Even today a large number of farmers are dependent upon money lenders merchants etc they charge high rate of interest and farmers are caught in a situation of debt-trap.

#### **4. Lack of efficiency of the agricultural labour.**

Efficiency of the agricultural labour is very low due to:

- low wage
- lack of proper dwelling
- low standard of living
- lack of social awareness
- Lacks of general and practical education etc

#### **B) Institutional factors:**

##### **1. Non-economic agricultural Holdings:**

There is continuous sub division and fragmentation of land due to

- increasing pressure of population
- joint family systems
- existence of inheritance law
- Abolition of village level cottage and small industry.

##### **2. Anti-progressive land tenure system or faulty land system**

There is a considerable degree of concentration of land Holdings among the landlords, rich farmers and money lenders throughout the country .So it is often found that actual tillers are not the owners. In reality tenants are the tillers and they do not enjoy security of tenure.

##### **3. Private ownership mode of cultivation**

Indian farmers cannot organise themselves collectively for the development of agriculture as a result it is not possible to enjoy the benefits of cooperative farming.

##### **4. Lack of infrastructure means lack of**

- supply of institutional credit at low rate of interest
- advantage of warehouse for storing agricultural product
- proper agricultural marketing system
- Government investment on agriculture etc.

## **C) Technological factors**

### **1. Primitive or traditional production technique i.e.,**

Lack of use of

- ❖ High yielding varieties of seed
- ❖ Chemical fertilizers and pesticides
- ❖ Modern machines

### **2. Inadequate irrigation facilities**

Indian farmers have to depend upon the rainfall/monsoon/mercy of weather conditions.

### **3. Neglect in agricultural research**

- ❖ Expenditure on agricultural research in India is very low
- ❖ Link between the farmers and the agricultural research is very low
- ❖ Farmers are ignorant about the benefits of agriculture related research