# Research Article

## MES MAMPAD International Journal of Humanities and Social Science (MESIJHSS)

### NEED FOR REJUVENATING INDIAN AGRICULTURE: AN INCUBATION

**Shijil. K**

**Assistant Professor-Department of Economics, Kr’s Sree Narayana College** [**shijileco@gmail.com,**](mailto:shijileco@gmail.com) **Mob: 9605314252**

#### Abstract

*Basically India is an agrarian economy. Agriculture has been a way of life and about 16 million families (48.9 per cent of working population) depend upon this sector for their livelihood. But in terms of contribution to GDP agriculture sector accounts only*

*14.1 per cent. Since independence contribution from agriculture sector has been showing a declining trend. Indian agriculture is experiencing sluggish growth due to various factors. Such factors include problems related to agriculture profitability, availability of land for cultivation, problems of irrigation, cutting down of subsidies, problems related with agriculture credit, bottlenecks related to agriculture modernization, policy issues, problems of small and marginal farmers, disguised unemployment, issue of income security and sustainability, etc… These problems have to be addressed with immediate effect. With the increasing population pressure a sustained high level agriculture growth is a pre-requisite for inclusive growth, reduction of poverty and rural development. It is not feasible to achieve higher growths in agriculture sector without incremental productivity and technological diffusion across the country. So rejuvenation of Indian agriculture is vital for sustainable agriculture growth. Since there is a linkage between agriculture and industry an upsurge in primary sector is critical to overall development of the nation. India needs to insist new lifeblood into farmers by removing all the obstacles in the wake of an agrarian economy so that faster growth is possible. This paper is essentially an attempt to elicit the need for rejuvenating Indian agriculture on the verge of raising challenges and tries to point out some policy solution for the betterment of Indian agriculture.*

*Key words: Rejuvenation, GDP, Sustainability, Agriculture credit, Small and Marginal farmers, Agrarian economy*

### Introduction

Development of any country should start from primary sector and proceeds through secondary and tertiary sector. In India a premature transition can be seen from agriculture sector to industrial sector and from industrial sector to service sector. Since majority of working population engaged in agriculture sector for their livelihood India need a sustained growth in this sector. It is essential for to achieve inclusive growth. To achieve a sustained growth in primary sector is not an easy one due to several factors. This paper is mainly divided into two parts, the first part deals with the need for rejuvenating agriculture for sustainable growth and second part deals with how the rejuvenation is possible.

### Sustainable agriculture – challenges ahead

An upsurge in primary sector is essential for overall development of Indian economy. Therefore main focuses of agriculture policies are more on achieving self- sufficiency, self-reliance and sustainable agriculture growth. Contribution from agriculture sector declined from 56.5 per cent in 1950-1951 to 14.1 per cent in 2016- 2017. Food grain production has increased from 50.82 million tonne in 1950-1951 to

252.22 million tonne in 2015-2016. But when we consider the magnitude of population food production is not sufficient.

In order to ensure food security, self-reliance and self-sufficiency a sustained growth is critical. But still India is struggling to achieve a sustained growth due several constraints.

### Availability of land for cultivation

Due to high population pressure the area under cultivation has come down.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Item** | **1950-51** | **1970-71** | **1990-91** | **2001-2011** |
| Gross croppedarea | 132\* | 166\* | 185\* | 141.23\* |
| Net sown area | 119\* | 141\* | 142\* | 141\* |
| Current fallows | 11\* | 11\* | 14\* | - |
| Other fallows | 17\* | 9\* | 10\* | - |
| Under non agricultural use | 9\* | 16\* | 20\* | - |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Barren and uncultivable | 38\* | 28\* | 21\* | 17.02(2008-09) |

\*area in million hectors Source: agriculture censuses

After the adoption of new economic policy there has been a declining trend in gross cropped area. Due to globalization there is a sharp increase in service sector growth. Area under non-agriculture use also explicit an increasing trend which demonstrate the population pressure on the country.

### Irrigation

Indian agriculture is a gamble in monsoon. Only 40 per cent area coming under irrigated area and the remaining 60 per cent under rain irrigated area. Irrigation is the major factor that helps farmers to yield more. Proportion of irrigated area to net sown area was 47 per cent in 2005-06 but in 2010-11 it was only 46 per cent. Net irrigated area in 2005-06 was 54270000 where as in 2010-11 it was 64567000. A slight increase can be seen. Hence a significant part of the net sown area continues to be rain fed.

### Agriculture credit

Agriculture credit provides adequate and timely support to farmers. Which will helps to raise the agriculture produce and income. Government provides large amount as agriculture credit. Priority sector lending also meant for agriculture credit at relatively low interest rates. It is mandatory for every bank to lend a prescribed amount as priority sector lending. But actually what is happening is that most of the farmers use agriculture loan for other purposes like marriage, construction of house etc… and they may misuse the loan. Flow of institutional credit to agriculture has been showing an increasing trend. In 2006-07 it was 2.29 lakh crore and in 2011-12 it increased into 2.62 lakh crore. Interest subsidy on farmer credit is also showing an increasing trend. As per 2016-17 budget estimates it was 13619 crore and in 2017-18 budget estimates it is 15000 crore. Crop insurance is also given impetus. In 2015-16 it was 2983 crore but in the budget estimates of 2017-18 an amount of 9000 crore were earmarked. Most of the beneficiaries of agriculture credit belong to large land holders.

### Modernization of agriculture

Modernization of agriculture is critical to sustain agriculture growth. For technological diffusion across the country a huge investment is needed. New technology as new agriculture strategy should be taken as the motto for sustained agriculture growth. Technological diffusion is one of the major problems in India. Small and marginal farmers are not able to purchase advanced technologies and they lack technical knowhow. With the new technology India experienced high growth in agriculture sector during green revolution period, but that growth was not a sustained one. So modernization should compatible with soil fertility and affordable to farmers. Introduction of most modern technology requires huge investment in research and developmental activities. But in India year by year a slight increase can be seen but it is not sufficient.

### Income security and sustainability

The two terms income security and sustainability are highly controversial. Recently our government is focusing on income security to farmers and promised that income of farmers will double by 2022. Now the question relies upon can income security leads to sustainability. For of the working population engaged in agriculture sector has zero marginal productivityensuring income security government must ensure that farmers receive fair wages and fair price for agriculture produce.

### Disguised unemployment

One of the important features of Indian agriculture is the prevalence of disguised unemployment. Most. People are engaging in farming but contribute nothing to total produce. Agriculture development is possible through shifting of redundant labour to industrial sector.

### Problems of small and marginal farmers

Small and marginal farmers constitute a sizable portion of agriculture population. For a sustained agriculture growth upliftment of such poor segments are inevitable. In India those who hold less than 2 hectors of land is called small farmers and farmers

cultivating less than one hector is classified as marginal farmers. Both small and marginal farmers are producers and workers at the same time. They have only low ratio of marketed surplus to output. Since they are unable to make huge investment they are facing technological constraints. Most of the small farmers are engaging in production by augmenting their operational area through leasing. They are facing several constraints related to adequate irrigation water, unavailability of credit, community’s power structure etc… They lack timely market information and facing several problems pertaining to access of government services. Sustained agriculture development is not possible without addressing the problems faced by these sections.

### Issue of subsidy

Agriculture subsidy is one of the heating debates in India. Usually government provides subsidy for boosting the production in agriculture sector. To some extent subsidies are beneficial to farmers because it reduce the cost of production. Spending of subsidy out of control will harm the fiscal condition of the nation. A general subsidy on scarce resources like water and electricity have a negative impact because it did not cover the cost incurred for providing it. Sometimes subsidies are mistargeted and most of the benefits of subsidies go to large farmers and land holders. In India there exists some kind of regional inequalities in providing agriculture input subsidy. Input subsidies for fertilizers will leads to environmental degradation. Every budget focusing on cutting down the amount of input subsidy.

### Profitability

Low profitability is one of the major reasons for the sluggish growth of Indian agriculture. Often farmers were exploited by middlemen and sellers. Farmers get only a nominal profit. So without proper minimum support price and timely support from government during crop failure due to deficiency of rain fall or drought agriculture is not profitable. Economic survey of 2016-17 shows that minimum support price has increased but slower in recent years.

### How to tackle challenges through rejuvenation

India can achieve a sustainable agriculture by tackling the challenges ahead. Following are some practical solution for to maintain a high sustainable growth in agriculture sector.

### Regenerative agriculture – beyond sustainability

Regenerative agriculture is an advanced form of organic farming. This farming is based upon ecological principles and it recaptures carbon emission from the atmosphere. It regenerates soil fertility and it protects soil from chemical fertilizers. This is the best way to cultivate in healthy soil. This farming keeps carbon in the soil which is the basic element for every living creature.

### Research and development

Investment in research and development activities by both public and private sector is critical to sustain agriculture growth. Since India is a developing country its priority goes to poverty alleviation, upliftment of weaker sections of the society etc... The accrued amount by the reduction of input subsidies should be utilized for research and developmental activities. Since the availability of land is limited the future of agriculture rest upon research. Research is critical for soil conservation, moisture conservation in drought areas, addressing the problems of salinity and water logging in rainfall areas.

### Diversification of agriculture produce

One of the major problems in India is lack of adequate buffer stock and cold storage facilities. So diversification of agriculture produce especially perishable commodities is needed. It is also a way for reaping the benefits of globalization. To some extent it is useful for reducing the problem of disguised unemployment.

### Capital formation

Capital formation in agriculture sector is critical. Government should use the amount from cutting down input subsidies for capital formation in agriculture.

### Adequate and productive agriculture credit

Agriculture credit should be provide at lowest interest rate and should provide a long payback period for farmers. Government must constitute a mechanism to check

whether the credited amount utilized for agriculture purpose or not. Government must ensure the outreach of financial institutions for availing the credit facilities for small and marginal farmers.

### Insurance

Widening of crop insurance is critical to sustain agriculture. Crop insurance should be extended to the whole production process of crop. It is the duty of government to encourage private participation in crop insurance.

### Marketing

In most of the cases farmers will not get adequate price for their produce because of the interventions of intermediates. Government should ensure fair prices for agriculture produce by providing market information, procurement system, announcing minimum support price and expansion of e-markets. Market accessibility of farmers should be strengthened and a direct contact between farmers and market has to be made. **Conclusion**

Indian agriculture is in a vicious circle. Only a deliberate attempt can pull up and sustain agriculture sector in India. Since the availability of land is limited new perspectives on agriculture development is needed. India can transform into a developed nation by achieving a sustained growth in primary sector and it is way of achieving inclusive growth. There is an urge for rejuvenating Indian agriculture for a self-sufficient, self-reliant and a sustainable agrarian economy. There is a need for redefining Indian agriculture and its policy frame works on the verge of raising challenges. Still India has better opportunities for to achieve a sustained agriculture growth.

### References

* 1. Government of India, Ministry of Finance, *Economic Survey 2016-17*, New Delhi, 2017
  2. Hnumantha Rao, C.H. and Gulati Ashok, (1994).*Indian Agriculture: Emerging Perspectives and Policy Issues*, International/Food policy Research Institute.
  3. Sundaram, K.V(2006). *Small Farmer Development Strategies For The Next Millennium*. In Ali Mohammad, Abdul Munir, Shamsul Haque Siddiqui and

Rocket Ibrahim (Eds.), *Environment Agriculture And Poverty*( 1st ed., pp. 223- 237). Ashok Kumar Mittal Concept Publishing Bhalla, G S and D S Tyagi (1989): *Patterns of Indian Agricultural Development*, ISID, New Delhi

* 1. Vaidyanathan, A (2002*). India’s Agricultural Development Policy*. In Uma Kapila (Edt)., Indian Economy Since Independence ( 14th ed.,pp.315-333). Academic Foundation
  2. Rao, V M and Jeromi P D (2002). *Modernising Indian Agriculture*. In Uma Kapila (Edt)., *Indian Economy Since Independence* ( 14th ed.,pp.226-314). Academic Foundation
  3. Union Budget 2017-18, February 1

*https://us.organicindia.com* [*http://m.economictimes.com*](http://m.economictimes.com/)[*http://niti.gov.in*](http://niti.gov.in/)