

AGRICULTURE DEVELOPMENT IN POST REFORM INDIA: A STUDY

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Abstract : To understand the agriculture scenario in India, it is important to assess the nature of agriculture development in post reform era. Agriculture plays a significant role in economic development. The share of agricultural sector to country's Gross Domestic Product (GDP) has continued to decline over the period of times; while that of other sectors, particularly services sector, has increased. For sustainable agriculture in India, continuous efforts are needed. Keeping this aspect in mind, present research paper makes an attempt to analyze the Indian agriculture development in post reform era. The study confirms that food grains production as well as cultivation area has increased in post reform period. Lastly, the paper also underlines the various challenges faced by the agriculture in India and suggests some policy implications to develop Indian agriculture as a true engine of economic growth in Indian economy.

Keywords: Indian agriculture, Economy and GDP

1.0 Introduction

The economic health of any country (whether it is developed or underdeveloped) depends upon so many sectors. Out of them, Agriculture sector is one of the most prominent sectors on which the progress of any nation depends. Various studies have done on the contribution of agriculture in the economic progress of an economy including India. No doubt, the agriculture and allied sector has a crucial role in ensuring the food security, mitigating poverty and sustaining the economic growth in Indian economy. Agriculture has a predominant role in the economic development. The share of agriculture sector in GDP is often considered as an indicator of economic development. Generally, developed economies are often less reliant on agriculture sector as compared to underdeveloped or developing nations. Being a developing nation, India is also intensively dependent on agriculture sector since independence and the share of agricultural sector to national income that is GDP has continued to decline over the period of time.

In the early 1950s, India's half of the GDP came from the agriculture and in the year 1970-71 agriculture contributed about 44% of GDP, declined to 29.3% and 14.6 % in 1990-91 and 2009-10, respectively. After the continuous decline, the contribution of agriculture sector in GDP has increased to 19.9 % in 2020-21 from 17.8 % in 2019-20 which is due to the decline in the share of other sectors of the economy. In the past, the contribution of the agriculture sector in GDP was at 20 % was in the year 2003-04. Its declining trend shows the structural transformation as is the symptom of economic growth. Beside this, the contribution of this sector is major as compare to many other countries. This sector gives an employment opportunity to the 50 per cent of our work force. This sector provides the food to increasing population and ensuring the food safety mission. As more than two third of Indian population lives in rural area and its increasing purchasing power is valuable stimulate to industrial development. Over the period of time, in the process of economic transformation, agriculture sector loses its significance due to its eroding contribution in national income, (Lewis, 1954; Syrgrin, 1988). Keeping this aspect in mind, the present research work is an attempt to analyze the agriculture development in post reform India.

2.0 Review Of Literature

Existing studies on the present issue of agriculture development in India reflects that there is no dearth of literature. To justify the present research, following literature has been reviewed and inferences have been drawn and analyzed. Various Economists including R. Rodan (1943), Arthur W. Lewis (1954), Scitovsky (1954), Hirschman (1958), Jorgeson (1961), Fei & Ranis (1961) and others economists highlighted the position of agriculture only as a prime supplier of raw materials and abundant labour supply to industry. The contribution of agriculture in the transformation of a developing economy was seen as ancillary to the key strategy of promoting the pace of industrialization (Vogel, 1994). Garg et al. (1979) analyzed the importance of agricultural development for the industrial growth of India under three heads, viz., agriculture contribution to foreign national income, employment and exchange. Bhalla and Singh in 2009 examined the state -level performance of agriculture in India during the

period from 1990-93 to 2003-06 that is post –reform period and in the 1980-83 to 1990-93 that is pre-reform period and concluded that the post-reform period has been characterized by deceleration in the growth rate of crop yields as well as total agricultural production in most of the states. They also discussed the cropping model changes that have taken place in area allocation as well as in terms of value of output.

Arvind Ramesh, et al. (2018) analyzed that the Indian agriculture sector contributes four major parts namely food crops and oil seeds, fiber, plantation crops, plant and vegetables. They have highlighted the key factors affecting the performance of agriculture sector such as climatic factors, Government policies, Market factors, Macro-economic factors, Technical factors and Global factors. Study highlighted some issues faced by Indian agriculture sector such as unequal growth of agriculture sector, Dependence on seasonal rainfall, Decrease in land availability due to increase in population, non-availability of farm laborers, low level of mechanization, Traditional cultivation methods, restrained access to finance, lack of facilities for storage, low quality seeds etc. V. Kumar (2022) analyzed the trends in agricultural growth and crop production growth at the national level, using the data from 1967-68 to 2020-21. The area under foodgrain in form of GCA has declined by 11.62%. Study also reveals that shift can be observed from the production of food grains to non-food grains.

It is clear from the above literature that the various studies have been conducted to analyze the agriculture development and its role in economic growth and development. No doubt, agriculture sector has a decisive role in the overall development. The living standard of masses in any nation depends upon this sector because more than half of our population in this sector and earn their livelihood from this very sector. That's why Indian economy is considered as an agricultural based economy. Therefore, the present study will be modest attempt to fill the gap and complete the missing link in the existing literature.

3.0 Agriculture Development In India

After the independence or in the earlier of planning, food insecurity in India was a serious threat. Food grain production was hardly 51 million tonnes in 1950-51 and has increased to 308.66 million tons at the end of 2020-21. Consequently, the production of rice, wheat, coarse cereals and pulses etc. has increased in a significant manner over the period of time. The trend of agricultural production especially food grains in post reform period (1991-92 to 2020-21), is presented in the form of following table 1

**Table 1: Growth Of Agriculture Production In Post-Reform Period
(Production in million tonnes)**

Year	Rice	Wheat	Coarse Cereals	Pulses	Total Production of food grains
1991-92	74.68	55.69	25.99	12.02	168.38
1995-96	76.98	62.10	29.03	12.31	180.42
1999-00	89.68	76.37	30.33	13.42	209.80
2000-01	84.98	69.68	31.08	11.08	196.81
2001-02	93.34	72.77	33.38	13.37	212.85
2005-06	91.79	69.35	34.07	13.39	208.60
2010-11	95.33	85.93	42.22	18.09	241.57
2015-16	104.41	92.29	38.52	16.32	251.54
2019-20	118.87	107.86	47.75	23.03	297.51
2020-21	122.27	109.52	51.15	25.72	308.66

Source: Agriculture Statistics at a Glance (2021), MoA, GOI

It is clearly understand from the table 1 that the overall production of food grains has increased from 168.38 million tonnes in 1991-92 to 308.66 million tonnes 2020-21. The productions of rice, wheat, coarse cereals and pulses have increased after economic reforms. In comparison of other food grains, rice has attained a highest growth rate of production. The output of pulses is increased from 12.02 million tons in 1991-92 to 25.72 million tons in 2020-21. It is also analyze from the above table that agricultural growth during 1991-92 to 2020-21 reflects the impact of economic reforms of 1991 on agricultural growth & performance.

Another major factor that affects the growth rate of agriculture production in any region is availability of the area under cultivation. For this reason being, the present paper also presents a comparative picture of area used for

cultivation for the production of food grains after the economic reforms. The following table 2 shows the extent of area under cultivation for agriculture production after economic reforms:

Table 2: Growth Of Area Under Cultivation For Agriculture Production In Post-Reform Period (Area in Million hectares)

Year	Rice	Wheat	Coarse Cereals	Pulses	Total Area of Food Grains
1991-92	42.65	23.26	33.42	22.54	121.87
1995-96	42.84	25.01	30.88	22.28	121.01
1999-00	45.16	27.49	29.34	21.12	123.10
2000-01	44.71	25.73	30.26	20.35	121.05
2001-02	44.90	26.34	29.52	22.01	122.78
2005-06	43.66	26.48	29.04	22.39	121.60
2010-11	42.56	29.25	27.64	26.28	125.73
2015-16	43.50	30.42	24.39	24.91	123.22
2019-20	43.66	31.36	23.99	27.99	127.00
2020-21	45.07	31.61	23.83	28.83	129.34

Source: Agriculture Statistics at a Glance (02021), MoA, GOI

To know whether the cultivation area for food grains production has increased or decreased or remains same after economic reforms, the above table needs to be analyzed. The particulars regarding the same have been presented in the table 2. It is cleared that there is much decrease in the cultivation area for coarse cereals in post reform India. And total area for food grains production has grown over the period of time. The decline in the total cultivation area for food grains may be due to the excessive pressures of population on agriculture land, use of agricultural lands for non-agricultural activities and some other factors which force the people to push their agriculture lands into commercial uses. And land acquirement policy of the Government for the development of industries, MNCs and Special Economic Zones may be great cause of concern.

Agriculture is of great importance for India's foreign trade. The below table 3 presents the position of the contribution of agriculture in India's foreign trade after economic reforms. Both agriculture exports and imports have increased after the liberalization and similarly, the net agricultural exports have also grown significantly which is one of the positive indicators of the Indian economy.

Table 3: Growth Of Agriculture Exports & Imports In Post-Reform Period (in Rs. crore)

Year	Agriculture Imports	Agriculture Exports	Net Agriculture Exports
1991-92	1478.27	7838.04	6359.77
1995-96	5890.10	20397.74	14507.64
1999-00	16066.73	25313.66	9246.93
2000-01	12086.23	28657.37	16571.14
2001-02	16256.61	29728.61	13472
2005-06	21499.22	49216.96	27717.74
2010-11	56196.20	120185.48	63989.28
2015-16	140289.22	215396.32	75107.1
2019-20	147445.81	252976.06	105530.26
2020-21	154510.72	308830.00	154319.28

Source: Agriculture Statistics at a Glance (2021), MoA, GOI

It is clear from the above discussions that agriculture sector has a very significant role in fulfilling the food requirements of the nation. Various governments came and gone and they have done accordingly to enhance the agriculture production on one hand and agriculture productivity on the other. Available data also reveals that

agriculture production of food crops have increased significantly over the period of time due to which, net agriculture exports have also increased significantly. Despite these, agriculture sector in India also facing many challenges which needs to be addressed timely to make Indian agriculture a true engine of economic growth in India.

4.0 Challenges Of Agriculture In India

The dynamism in Indian agriculture observed during the green revolution has faded over the period of time. India's agriculture's contribution in India's GDP of has declined due to the excessive reliance on industrial and services sectors. But agriculture sector is still prime sector to provide the employment opportunities in rural area; therefore concern of agriculture sector is essential to look out the overall performance of Indian economy. Another major challenge in agriculture is to raise the agriculture productivity or yield per unit of land. One of the main reasons for the low levels of yield in Indian agriculture has been the less usage of modern technological practices including the usage of HYV seeds, fertilizers, inadequate spread of farm management techniques and other practices like soil conservation and crop rotation. Beside these, agriculture sector is also confronting the problem of continuously falling level of ground water; the low level of capital formation in agriculture is a matter of great concern.

The trade liberalization process has created several problems for agriculture sector. It has badly affected the agricultural sector of the region's growing crops viz. plantation, cotton and oilseeds. With liberalization, over the period of time, the concern of efficiency has become highly significant as domestic production has to compete with products of other countries. Last but not least, **another major challenge is to reduce rural poverty through a socially inclusive or integrated approach that comprises agriculture as well as non-agriculture employment.** Thus, there is strong need of the hour to free the agriculture sector from unnecessary constraints or challenges for its real development.

5.0 Conclusion & Policy Implications

This paper makes an analysis of Indian agriculture through the performance of food grains production and area utilizes for their cultivation after the economic reforms. The present paper confirms that the output of major food grains as well as cultivation area for them has increased significantly in post reform era. Sincere efforts to raise productivity as well as area under cultivation in agriculture sector are strongly required. The research also highlights the role of agriculture in foreign trade of India. Therefore, government must make proper measures to enhance the growth of agriculture sector to maintain the economic growth. Lastly, the paper also describes some of the major challenges faced by Indian agriculture which need to overcome through proper policy making. Government should make some major improvements in the working of the Food Corporation of India (FCI) to reduce the inefficiencies that increase the food subsidy burden. There is strong need to create a comprehensive plan for inclusive growth of Indian agriculture sector by adopting pragmatic approach. Therefore, it is imperative to provide the care of agriculture sector to enhance the sustainable development of Indian economy.

6.0 References

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