

IMPORTANCE OF AGRICULTURE SECTOR IN INDIAN ECONOMY

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Article Info	ABSTRACT
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INTRODUCTION:-

The Latin terms "Ager and Cultura" are where the word agriculture originates. Cultura means cultivation, while Ager denotes land or field. Thus, the word "agriculture" refers to the cultivation of land. India's economy is based primarily on agriculture. Over two thirds of the nation's labor force works in agriculture. Since a bigger portion of the Indian population still resides in rural regions and makes a substantial contribution to the country's GDP, the country's economy has been identified as an agricultural economy. Approximately two-thirds of its labor force works in rural agriculture and related fields, necessitating a stronger focus on rural development, which both directly and indirectly serves as the foundation for the nation's rapid economic growth. This calls for a steady increase in everyone's access to the needs of life, such as food, clothing, shelter, clean drinking water, sanitation and hygiene, basic literacy, primary health care, and property and life security. The long-term enhancement of rural residents' quality of life is initiated by rural development. Rural growth must also be justified by compensating and improving each person's sense of self-respect for their political, economic, and social independence. In order to achieve harmonic growth in life, this process of change in rural India has been universally perceived as the ideal objective for every individual, family, and community throughout the country. Due to the lack of institutional lending organizations like commercial banks and cooperatives, rural residents used to obtain credit from non-institutional sources like Shahukar and Seth, among others, who, rather than offering credit facilities, used the process of charging and manipulating high interest rates to further their own self-serving goals. Cooperative banking institutions were reintroduced in the nation in 1904 and further attempts were made to strengthen them in order to address this issue and give financial support to the underprivileged peasants. The nation is covered by the network of cooperative credit societies that serve rural residents' credit needs. Despite these networks of cooperative organizations, they were unable to meet the ever-growing demand for agricultural and industrial financing, which was necessary for the adoption of improved and scientific farming and the growth of industry in the rural sector. The majority of the nation's income comes from the agriculture industry. The agriculture sector's proportion was steadily dropping. " Agriculture accounted for 47.6% of GDP in 1960–61, 41.7% in 1970–71, 35.7% in 1980–81, 29.5% in 1990–91, 22.3% in 2000–01, 14.4% in 2010–11, and 17.3% in 2012–13. Since gaining independence, India has achieved significant strides in the agricultural sector. The green, white, yellow, and blue revolutions have all occurred in India. Fruits, cashew milk, almonds, coconuts, and tea are all produced in India. India ranks third in the production of rice and tobacco and second in the production of vegetables, wheat, sugar, and fish. A significant portion of the population resides in rural areas and makes their living from agriculture. India ranks second in terms of agricultural output. 14.2% of the GDP has come from agriculture and related industries. Approximately 58% of people work in agriculture. The greatest economic sector in India nowadays is agriculture, which has a major impact on the country's development. Therefore, inclusive growth depends on the development of Indian agriculture. Adoption of contemporary technology has an impact on and lowers various agricultural risks during the course of agricultural development. People can meet their basic necessities thanks to the agriculture sector. As a result, agriculture is the world's most significant industry. Nature has given agriculture as a free, productive unit. Livestock, poultry farming, pisciculture (raising fish), dairy, sericulture, nurseries, raising sheep, etc. are all included in agriculture. Food, feed, fiber, fuel, furniture, and raw materials are provided to the industries by the agriculture sector. In order to create yield, agriculture involves raising animals and cultivating plants. It supports the preservation of biological balance in the natural world.

OBJECTIVES OF THE STUDY:-

The major objectives of the present research study are as follows:

- 1.To study the importance of agriculture sector in Indian economy
2. To study the Production and Productivity of Principal Crops.
- 3.To analyse the cost of selected crops.

RESEARCH METHODOLOGY:

Every research is necessary a specific methodology so for the present research has used specific methodology. The present research study is an analytical type of study. The study uses all the necessary methods useful for data collection, for the collection of data, the researcher has used the Secondary source.Secondary data required for the study are collected from books, journals and other Government websites, periodicals, and reports etc.

IMPORTANCE OF AGRICULTURE SECTOR IN INDIAN ECONOMY:**1. Livelihood Source-**

In India, the majority of people work in agriculture. Approximately 58% of people work in agriculture.

2. Provide Food and Fodder-

The agricultural industry provides livestock with feed and nourishment for humans. Cows and buffaloes supply food in the form of milk. They also supply electricity for the farm's operations. The agricultural industry also provides for people's food needs.

3. Contribution of Agriculture Sector in National Income-

The majority of the nation's income comes from the agricultural industry. The agriculture sector's proportion was steadily dropping. Agriculture accounted for 47.6% of GDP in 1960–61, 41.7% in 1970–71, 35.7% in 1980–81, 29.5% in 1990–91, 22.3% in 2000–01, 14.4% in 2010–11, and 17.3% in 2012–13.

4. Large contribution to employment-

Over two thirds of the nation's labor force works in agriculture. India's economy is based on agriculture. In India, a greater number of people rely on the agricultural industry. Agriculture is the largest private sector occupation, employing 58% of the nation's workers.

5. Source of Industrial Development-

Because many businesses rely on agriculture and related sectors for their raw materials, the agriculture sector is crucial to the growth of industry. The agricultural sector is the primary source of support for several sectors, including the textile, sugar, vanaspati, cotton, and jute industries. Handlooms, spinning, oil milling, rice thrashing, and other small-scale and cottage businesses rely on the agricultural sector for their raw materials. This demonstrated the significance of the agricultural sector to the development sector.

PROBLEMS OF AGRICULTURE IN INDIA:**1. Small and fragmented land holding-**

The biggest issue facing Indian farmers is their modest and dispersed land holdings. The size of the land holding is declining annually. The average land holding size decreased from 2.28 hectares in 1970–1971 to 1.15 hectares in 2010–2011.

2. Availability of Quality Seeds-

Due to high costs, small and medium-sized farmers are unable to obtain high-quality and improved variety seeds. In order to achieve a higher crop yield and ongoing expansion in agricultural production, seeds are a crucial and fundamental ingredient.

3. Problem of irrigation

The second-largest irrigated nation is India. In the world, only one-third of cropland is irrigated. Rainfall in India is erratic and unpredictable. Thus, irrigation is a challenge for Indian farmers.

4. Manures, Biocides and Fertilizer

For thousands of years, crops have been grown on Indian soils without any attention to replenishment. Both fatigue and soil depletion resulted from it. The farm's productivity suffers as a result. Nearly all crops have the lowest yields worldwide. This is a very serious problem that can be resolved by applying more fertilizer and manures. Cow dung is the best manure for soils, but its application is restricted because most of it is utilized as fuel in kitchens. Poor farmers are unable to employ more chemical fertilizers due to their high cost.

5. Erosion of Soil-

The majority of fertile land is eroded by both water and wind. This area needs to be adequately treated and healed in order to regain its previous fertility.

6. Lack of mechanization

Humans perform agricultural tasks by hand utilizing basic, traditional tools as well as devices like sickles and wooden ploughs. "Small and marginal farmers use less or no machinery for plowing, sowing, irrigating, thinning and pruning, weeding, harvesting, threshing, and transporting the crops." It leads to poor yields per capita labor force and massive labor waste. Therefore, it is urgently necessary to mechanize agricultural processes in order to prevent labor waste and make farming more convenient and effective.

7. Inadequate facility of storage-

Storage facilities are either unavailable or insufficient in rural locations. In these situations, farmers must sell their food as soon as it is harvested at the extremely low market rates. These kinds of sales result in lawful revenue.

8. Lack of means of transportation-

One of the biggest issues facing Indian farmers is the lack of affordable and effective transportation options. Many communities are now poorly connected to major thoroughfares and market centers. Bullock-cart roads make up the majority of the roadways in rural areas, and they are rendered worthless during the wet season. In these circumstances, farmers are compelled to sell their produce at extremely low prices in the local market since they are unable to transport it to the major market.

9. Agricultural marketing problem-

Agricultural marketing is in terrible shape in rural India. Farmers rely on local vendors and middlemen to sell their produce at low prices because there are no marketing facilities. Most of the time, farmers are compelled to sell their produce. Small-town farmers sell their crops to the money lender they frequently borrow from. Therefore, another significant issue that farmers face is the availability of markets and middlemen's exploitation.

10. Instability in agriculture

Natural dangers are causing instability in agriculture. Agricultural instability in India is caused by crop diseases, unseasonal rain, and drought. Agricultural income fluctuates as a result of agricultural instability.

11. Scarcity of capital

The agricultural industry needs capital just like the industrial sector does. Capital is crucial for agricultural development. Farmers use this money to build irrigation facilities, buy farming equipment, build wells and tube wells, and more. Money lenders are typically the source of funding for farmers. High capital interest rates are levied by money lenders. These days, banks are lending money to farmers, but they are ignorant of this.

12. Cropping pattern

Another issue that farmers deal with is shifting cropping patterns. Cropping patterns are altered after a regular interval. Farmers suffer losses as a result of their ignorance of various cropping patterns.

13. Cost and availability of agriculture labour

The educated people of today are not prepared to work on farms. The issue of labor availability affects the agriculture sector. The cost of labor is rising annually as a result of the labor shortage. Family members of farmers are typically seen as laborers even when they do not actually work on the farm. This one is a labor waste.

Table 1.1**All India Estimated Area, Production and Productivity of Principal Crops**

Crops		Area (In million hectors)	Production (In million tonnes)	Productivity (Kg.ha)
Jowar	Kharif	1.69	1.72	1019
	Rabi	2.79	2.66	952
	Total	4.48	4.38	977
Bajra	Kharif	6.77	8.9	1314
Maize	Kharif	7.45	19.86	2666
	Rabi	1.55	8.22	5287
	Total	9	28.08	3118
Tur (Arhar)	Kharif	4.3	3.69	857
Gram	Rabi	10.3	11.22	1090
Urad	Kharif	3.64	1.72	473
	Rabi	0.7	0.53	759
	Total	4.34	2.25	519
Moong	Kharif	3.43	1.77	516
	Rabi	0.83	0.5	597
	Total	4.26	2.27	532
Soybean	Kharif	12.14	13.63	1122
Sunflower	Kharif	0.11	0.08	714
	Rabi	0.18	0.18	987
	Total	0.29	0.26	884
Cotton	Kharif	13.28	34.89	447

Source- CACP Report 2023-24

The above table shows the all India estimated area, production and productivity of principle crops in the year 2019-20. A total of 4.48 million hectors were estimated to be planted with jawar, with an estimated yield of 4.38 million tonnes and a productivity of 977 kg per hector. The estimated production was 28.08 million tonnes, the productivity was 1314 kg per hector, and the total estimated area under Bajara crop was 6.77 million hectors. An estimated 9 million hectares were planted with maize, with a projected production of 8.9 million tonnes and a productivity of 3118 kg per hectare. Tur was grown on an estimated 4.3 million hectares of land, with an estimated yield of 3.69 million tons and a productivity of 857 kg per hectare. The estimated production was 11.200 million tonnes, the productivity was 1090 kg per hector, and the total estimated area under Gramme crop was 10.3 million hectors. The estimated production was 2.25 million tonnes, the productivity was 519 kg per hector, and the total estimated area under Urad crop was 4.34 million hectors. The Moong crop was grown on an estimated 4.26 million hectors, with a productivity of 532 kg per hector and an expected production of 2.27 million tons. A total of 12.14 million hectors were predicted to be planted with soybeans, with an estimated yield of 13.63 million tonnes and a productivity of 1122 kg per hector. An estimated 0.29 million hectors were planted with sunflowers, with a projected production of 0.26 million tonnes and a productivity of 884 kg per hector. An estimated 13.28 million hectors were planted with cotton, with an estimated production of 34.89 million tonnes and a productivity of 447 kg per hector.

According to the above table, the area under cotton, soybean, and gram was greater than that under other crops, while the area under Tur, Jawar, Urad, and Moong crops was much smaller than that under other crops.

1.1.6 MSP of Selected Crops in India:

Table 1.3
MSP of Selected Crops

(In ₹)					
Sr. No	Crops	2019-20	2020-21	2025-26	Increase (₹)
1	Paddy	1238	1579	2090	511
2	Jowar- (Maldandi)	2570	2640	3206	566
3	Bajra	2000	2150	2209	59
4	Maize	1760	1850	1952	102
5	Tur (Arhar)	5800	6000	6839	839
6	Moong	7050	7196	7476	280
7	Urad	5700	6000	6829	829
8	Sunflower	5650	5885	6364	479
9	Soyabean	3710	3880	4638	758
10	Medium Staple Cotton	5255	5515	6717	1202
11	Groundnut	4065	4842	6047	1205

(Source- CACP Report 2025-26)

The above table shows the minimum support price of selected crops for the year 2019-20 and 2020-21 and 2025-26 also shows the increase in MSP as compared to last year. Paddy's MSP was 2550 in 2019-20, 2620 in 2020-21, and 2090 in 2025-26. It indicates a 511 rise over the previous year. Maldandi Jawaris' MSP was 2570 in 2019-20, 2640 in 2020-21, and 3206 in 2025-2026. In comparison to the previous year, it has climbed by 566. Bajarais' MSP was 2000 in 2019-20, 2150 in 2020-21, and 2209 in 2025-2026. Compared to the previous year, it has climbed by 59. Maize's MSP is 1760 in 2019-20, 1850 in 2020-21, and 1952 in 2025-2026. In comparison to the previous year, it has climbed by 102. Turis's MSP was 5800 in 2019-20, 6000 in 2020-21, and 6839 in 2025-2026. In comparison to the previous year, it has climbed by 839. Moongis' MSP was 7050 in 2019-20, 7196 in 2020-21, and 7476 in 2025-2026. In comparison to the previous year, it has climbed by 280. Uradis' MSP was 5700 in 2019-20, 6000 in 2020-21, and 6829 in 2025-2026. In comparison to the previous year, it has climbed by 829. Sunflower's MSP climbed by 479 from the previous year to 5650 in 2019-20, 5885 in 2020-21, and 6364 in 2025-2026. Soyabean's MSP climbed by 758 from the previous year to 3710 in 2019-20, 3880 in 2020-21, and 4638 in 2025-2026. The MSP of medium staple cotton climbed by 1202 from the previous year to 5255 in 2019-20, 5515 in 2020-21, and 6717 in 2025-2026. Groundnut's MSP climbed by 1205 from the previous year to 4665 in 2019-20, 4842 in 2020-21, and 6047 in 2025-2026.

CONCLUSION: -

Despite its declining GDP share as other sectors grow, the agriculture sector is the backbone of the Indian economy. It is essential for food security, supports the livelihoods of more than half of the workforce, supplies raw materials to industries driving rural development, contributes to, earns foreign exchange, and ensures overall economic stability. The oldest, biggest, and most significant sector in the process of economic development is agriculture. Agriculture is the only significant industry that exists in the majority of developing nations. As a result, the majority of these nations rely heavily on the growth of the agricultural sector for their economic development in order to meet the demand for food, generate foreign exchange for overhead

investments, and expand secondary industries in order to meet the increasing demand for jobs and raise rural residents' incomes. demonstrate how crucial agriculture was to the nation's economic growth at the start of the industrial revolution. Due to their interdependence, agriculture and industry must be properly balanced for an economy to flourish overall. No underdeveloped nation can grow quickly by ignoring agriculture, with the exception of those with abundant natural resources. Additionally, industry depends on agriculture for food and raw materials like cotton, jute, oil seeds, etc., while agriculture depends on industry for machinery and agricultural tools. Therefore, maintaining a healthy and stable balance between agriculture and other industries is essential for any country's economic progress.

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