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GROWTH RATE OF AGRICULTURE AND ALLIED SECTORS

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ABSTRACT

Agriculture is the most important sector of the Indian economy. The Indian agriculture sector accounts for 18.4 percent of India's gross domestic product (GDP) and employs 50 percent of the countries workforce. India is the world's largest producer of pulses, rice, wheat, spices and spice product. India has many areas to choose from for business such as dairy, meat, poultry, fisheries and food-grain etc. India has emerged as the second-largest producer of fruits and vegetables in the world. According to the data provided by Development of Economics and Statics (DES), the production of food-grains for the year 2019-2020 is 296.6 million tonnes is increased when compared to (2018-19) was 285.2 million tones. This is a good symptom for the Indian economy from the agriculture sector. India remains among the main three as far as production of different agricultural things like paddy, wheat, pulses, groundnut, rapeseeds, natural products, vegetables, sugarcane and so on.

KEYWORDS: *Agriculture, GVA, Production.*

INTRODUCTION

Agriculture plays a vital role in India's economy. 54.6 percent of the total workforce is engaged in agricultural and allied sector activities (census, 2011) and accounts for 17.8 percent of the country's Gross Value Added (GVA) for the year 2019-2020 (at current prices). Given the importance of the agriculture sector Government of India has taken several steps for its development in a sustainable manner. Steps have been taken to improve the income of farmers. Further to mitigate risk in the agriculture sector, a scheme "Pradhan Mantri Fasal Bima Yojana" (PMFBBY) was also launched in 2016. A scheme such as the formation and promotion of 10,000 FPOs and the agriculture infrastructure fund has also been launched recently to benefit the sector.

As per the land use statistics, 2016-17 the total geographical area of the country is 328.7 million hectares of which 139.4 million hectares is the reported net sown area and 200.2 million hectares is the gross cropped area with a cropping intensity of 143.6 percent. The net area sowed works out to 42.4 percent of the total geographical area. The net irrigated area is 68.6 million hectares.

REVIEW OF LITERATURE

Many farmers in developing countries operate on a small scale. In a detailed empirical paper, Foster and Rosenzweig (2010) show that this is the case today in India, where most farms are too small to exploit the productivity and cost-saving advantages from mechanization agriculture development strategies need to focus on the smallholder sector, understand the challenges they face and find ways to make them more productive (World Bank 2007). Much of the early discussion on smallholders revolved around the issue of the efficiency of farm-scale. Whereas there are potential economies of scale on large farms (Byerlee, de. Janvery and Sadoulet 2010), small have often been seen by family farm theories as more efficient because they do not bear the cost of labour supervision and there are no moral hazard issues. Many developing country studies have found an inverse relationship between farm size and land productivity even after controlling for other productivity determinants, such as land quality (Eastwood et al. 2010).

Today Indian agriculture research is considered one of the largest research works in the world. It has now achieved the progressive scale of agricultural growth due to the adoption of modern technology and innovation. In many developed countries, there is found the declining trend of R & D for which there is found the substantial downfall of overall productivity. The restoration of the growth in spending on agricultural R & D may be necessary to prevent a longer-term food price crisis (Julian M. Alston et al. 2009). The impact of

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environment and climate change could be observed thoroughly which plays the most important role for production and any other economic activity. Along with the objectives of strong, marketing facilities, recycling process, employment facilities, and customer-based strategy on the entire idea of going green seems to be positive in the farm and rural environment (Lynn Martin et al. 2013).

OBJECTIVE

The main objectives of the present research paper are as follows:

1. To study the productivity of crops.
2. To study the growth of food-grains in the country.
3. To study the area of crops sown.

METHODOLOGY

The present paper is based on secondary data. Secondary data has been collected from various journals, government reports and research papers published earlier. Their originality has been kept in mind in the collection of data to maintain their credibility.

ANALYSIS

As per the provisional estimates of annual national income released by the Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation, the agriculture and allied sectors contributed approximately 17.8 percent of India's GVA at current prices during 2019-20, marginally higher than 17.7 percent in 2015-16. GVA of agriculture and allied sectors and its share in total GVA of the country at current prices during the last 5 years is given in table 1.

Table 1

GVA of Agriculture and Allied sectors and its share in total GVA of the country at current prices

(Rs. In crore)

Item	Years				
	2015-16	2016-17	2017-18	2018-19	2019-20
GVA of Agriculture and allied sectors Rs. In crore	22,27,533	25,18,662	27,96,908,	29,22,846	32,57,443

Source: CSO, Ministry of Statistics and Programme Implementation, GOI.

Table 2

Growth in the total GVA of the economy and that in the GVA of Agriculture and Allied Sectors at 2011-12 at base prices

(in Percent)

Year	Total	Agriculture & Allied Sector	Crops	Livestock	Forestry & logging	Fishing
2015-16	8.0	0.6	-2.9	7.5	1.7	9.7
2016-17	8.0	6.8	5.3	10.0	5.5	10.4
2017-18	6.6	5.9	4.4	7.4	6.2	14.7
2018-19	6.0	2.4	-1.0	8.1	0.4	12.0
2019-20	3.9	4.0	Not released			

Source: CSO, Ministry of Statistics and Programme Implementation, GOI.

The agriculture and allied sector witnessed marginal growth of 0.6 percent in 2015-16 followed by a substantial recovery of 6.8 percent in 2016-17 that fell by almost a percent to 5.9 percent in the following year, 2017-18, 2018-19 witnessed a sharp fall to 2.4 percent that has since recovered to 4 percent in 2019-20 at 2011-12 base price (table 2).

Table 3

Gross Capital Formation (GCF) in Agriculture and Allied Sectors relation to Gross Value Added (GVA) at 2011-12 base prices

(Rs. In crore)

Year	GCF of Agriculture & Allied Sector	GVA of Agriculture & Allied Sector	GCF of Agriculture & Allied sector as percentage of GVA of Agriculture & Allied sector (in percentage)
2013-14	2,84,424	16,09,198	17.7
2014-15	2,72,663	16,05,715	17.0
2015-16	2,37,648	16,16,146	14.7
2016-17	2,67,153	17,26,004	15.5
2017-18	2,83,922	18,28,329	15.5
2018-19	3,06,749	18,72,339	16.4

Source: CSO, Ministry of Statistics and Programme Implementation, GOI.

Gross Capital Formation (GCF) is an indicator of the level of investment activity in the sector

concerning GVA in the sector; gross capital formation in the sector has been fluctuating during the last 5 years with a major fall experienced in 2015-16 to 14.7 percent from 17.7 percent in 2013-14. The indicator has since recovered and has improved to 16.4 percent in 2018-19.

Production of cotton is estimated at 35.49 million bales than the production of 28.04 million bales during 2018-19. Jute & Mesta has estimated 9.91 million bales (180 kg each).

CONCLUSION

Table 4

Area, Production and Yield of Major Crops

Crops	Area (Lakh hectare)			Production (million tonnes)			Yield (kg/hectare)		
	2017-18	2018-19	2019-20	2017-18	2018-19	2019-20	2017-18	2018-19	2019-20
Rice	437.7	441.6	437.8	112.8	116.5	118.4	2576	2638	2705
Wheat	296.5	293.2	314.5	99.9	103.6	107.6	3368	3533	3421
Nutri/coarse cereals	242.9	221.5	240.2	47.0	43.1	47.5	1934	1944	1976
Pulses	298.1	291.6	283.4	25.4	22.1	23.2	853	757	817
Food-grains	1275.2	1247.8	1275.9	285.0	285.2	296.6	2235	2286	2325
Oilseeds	245.1	247.9	270.4	31.5	31.5	33.4	1284	1271	1336
Sugarcane	47.4	50.6	45.7	379.9	405.4	355.7	80198	80105	77893
Cotton	125.9	126.1	133.7	32.8	28.0	35.5	443	378	451
Jute & Mesta	7.4	7.0	6.8	10.0	9.8	9.9	2435	25.8	2641

Source: CSO, Ministry of Statistics and Programme Implementation, GOI.

Table 4 is representing the total food-grain production scenario in the country. The total food-grain production in the country is 296.6 million tonnes during the year 2019-20. The production during 2019-20 is also higher by 26.87 million tonnes than the previous five years (2014-15 to 2018-19) average production of food-grain. The total production of rice during 2019-20 is estimated at 118.43 million tonnes. It is higher by 8.67 million tonnes than the five years' average production of 109.76 million tonnes. Production of wheat is estimated at 107.6 million tonnes. It is higher by 11.43 million tonnes. Production of nutria/coarse cereals is estimated at 47.48 million tonnes. It is higher by 4.42 million tonnes than the production of 43.06 million tonnes achieved during 2018-19. Further, it is also higher by 4.44 million tonnes than the average production. Total pulses production during 2019-20 is estimated at 23.15 million tonnes which is higher by 2.33 million tonnes than the five years' average production of 20.82 million tonnes. Total oilseeds production in the country during 2019-20 is estimated at 33.42 million tonnes which is higher by 1.90 million tonnes than the production of 31.52 million tonnes during 2018-19. Further, the production of oilseeds during 2019-20 is higher by 4.02 million tonnes than the average oilseeds production. The total production of sugarcane in the country during 2019-20 is estimated at 355.70 million tonnes.

To conclude this paper essentially tried to look into the growth performance of Indian agriculture and explanations for a dismal performance in agriculture by observing its source of growth mainly area, yield and cropping pattern in the recent years and tried to explore what mainly contributed to slow growth by critically examining the literature.

In the year 2016-17, where the growth rate of agriculture and allied sector was 6.8 percent, it has come down to 4.0 percent in 2019-20. Similarly, there has been a decline in the economic growth rate of the country. Rice production increased from 112.8 million tonnes in 2017-18 to 118.4 million tonnes in 2019-20. At the same time, there has been an increase in the production of wheat, which increased from 99.9 million tonnes in 2017-18 to 107.6 million tonnes in 2019-20. In the present context, there has been a marginal increase in agriculture and allied sectors. There still a lot of improvement to be done in the agriculture sector.

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