



## **AGRICULTURE AND RURAL DEVELOPMENT**

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### **Abstract-**

This paper submitted to make an analysis of agriculture and rural development. India's agriculture is composed of many crops, with the foremost food staples being rice and wheat. Indian farmers also grow pulses, potatoes, sugarcane, oilseeds, and such non-food items as cotton, tea, coffee, rubber, and jute etc. However, yields per hectare of crops in India are generally low compared to international standards. Improper water management is another problem affecting India's agriculture. At a time of increasing water shortages and environmental crises, for example, the rice crop in India is allocated disproportionately high amounts of water. One result of the inefficient use of water is that water tables in regions of rice cultivation, such as Punjab, are on the rise, while soil fertility is on the decline. Development of agricultural (rural) economy and the improvement of the village life are the core concern of economists and also of the agriculturists. This is the biggest challenge before the nation as majority of rural population is still living below the poverty line. The rural folks are mainly engaged in agriculture and allied sector which is still in a backward stage. The constraints in the agricultural and rural development in rural areas need to be removed out and country should be made self-sufficient by concentrating on the achievement of the goals of the five year plans those are prepared for development of rural India.

**Key Words** -- Agriculture Rural Development

**Introduction:-** India's recent performance in agriculture has been favorable. With agricultural production growing over the past 30 years, India has stepped into the ranks of the top five countries in key agriculture products: wheat, rice, cattle, eggs, vegetables, and melons. It has become the world's leading producer of milk and pulses. And it has been a net exporter of agriculture products every year since 1990–91. Marginal farmers are shifting toward high-value outputs. Agriculture investment as a share of agriculture GDP rose from 13 percent in 2004–05 to over 18 percent in 2008–09; private investment increased significantly even while public investment was stagnant; and the private sector has moved into agricultural research and extension services. Retail in food products is modernizing rapidly.

India will face a rapid expansion of food demand and major shifts in its composition, there by requiring an acceleration of agricultural growth rates beyond the current 4 percent target rate, rise in imports. With limited land and water resources, the acceleration of agricultural growth requires a significant acceleration of productivity growth, and much higher water use efficiency in the context of continued irrigation growth. The public and private institutions responsible for research and extension and for irrigation will have to adapt to these requirements. Rapid agricultural and rural non-farm growth is important and will be driven by a combination of agriculture and spillovers from the urban economy.

**Objectives:-**

1. To study of agriculture sector.
2. To study of rural development.
3. To understand of Rural Development is depends on agriculture.
4. To suggest reforms of rural development.

**Review of Literature:-**

According to Agarwal (1989) Rural Development is a strategy to improve the economic and social life of a specific group of people- the rural poor, including small and marginal farmers, tenants and landless.

According to World Bank rural development is a strategy designed to improve the economic and social life of a specific group of people by extending the benefits of development to the poorest among those who seek livelihood in the rural areas.

According to MoA GOI (2014) as per the land use statistics 2011-12, the total geographical area of the country is 328.7 million hectares, of which 140.8 million hectares is reported as net sown area and 195.2 million hectares is the gross cropped area with a cropping intensity of 138.7%. The net irrigated area is 65.3 million hectares. Agriculture and Allied Sector contributed approximately 13.9% of India's GDP (at constant 2004-05 prices) during 2013-14. (CSO, MoSPI, 2014). There has been a continuous decline in the share of agriculture and allied sector in the GDP from 14.6% in 2010-11 to 13.9 % in 2012-13 (IDFCRDN, 2014). Falling share of Agriculture and Allied Sectors in GDP is an expected outcome in a fast growing and structurally changing economy.

#### **Research Methodology of the study:-**

The study is based on the data and information collected from secondary sources include the data from various Article, Magazines, Newspapers, Journals, Books and the Published Data / Reports of RBI and various authorities etc.

#### **Significance of Agriculture in Rural Development:-**

##### **1. Agricultural influence on national income:**

The contribution of agriculture during the first two decades towards the gross domestic product ranged between 48 and 60%. In the year 2001-2002, this contribution declined to only about 26%.

##### **2. Agriculture plays vital role in generating employment:**

In India at least two-thirds of the working population earn their living through agricultural works. In India other sectors have failed generate much of employment opportunity the growing working populations

##### **3. Agriculture makes provision for food for the ever increasing population:**

Due to the excessive pressure of population labour surplus economies like India and rapid increase in the demand for food, food production increases at a fast rate. The existing levels of food consumption in these countries are very low and with a little increase in the capita income, the demand for food rise steeply (in other words it can be stated that the income elasticity of demand for food is very high in developing countries).

Therefore, unless agriculture is able to continuously increase it marketed surplus of food grains, a crisis is like to emerge. Many developing countries are passing through this phase and in a bid to ma the increasing food requirements agriculture has been developed.

#### **4. Contribution to capital formation:**

There is general agreement on the necessity capital formation. Since agriculture happens be the largest industry in developing country like India, it can and must play an important role in pushing up the rate of capital formation. If it fails to do so, the whole process economic development will suffer a setback.

#### **5. Supply of raw material to industries:**

Agriculture supplies raw materials to various agro-based industries like sugar, jute, cotton textile and Vanaspati industries. Food processing industries are similarly dependent on agriculture. Therefore the development of these industries entirely is dependent on agriculture.

#### **6. Market for industrial Material:**

Increase in rural purchasing power is very necessary for industrial development as two- thirds of Indian population live in villages. After green revolution the purchasing power of the large farmers increased due to their enhanced income and negligible tax burden.

#### **7. Impact on internal and external trade and commerce:**

Indian agriculture plays a vital role in internal and external trade of the country. Internal trade in food-grains and other agricultural products helps in the expansion of service sector.

#### **8. Contribution in government revenue:**

Right from the First Five Year Plan agriculture is considered as the prime revenue collecting sector for the both central and state budgets. However, the governments earn huge revenue from agriculture and its allied activities like cattle rearing, animal husbandry, poultry farming, fishing etc. Indian railway along with the state transport system also earn a handsome revenue as freight charges for agricultural products, both-semi finished and finished ones.

#### **9. Need of labors and unemployment:**

A large number of skilled and unskilled labourers are required for the construction works and in other fields. This labour is supplied by Indian agriculture.

#### **10. Greater competitive advantages:**

Indian agriculture has a cost advantage in several agricultural commodities in the export sector because of low labour costs and self- sufficiency in input supply.

#### **Implementations for Rural Development through Agriculture Sector:**

1. Farmers double income in crops.
2. Implementation of wasteland

3. Control of over burden on agriculture.
4. Cash crops, mediational crops and commercial crops.
5. Agriculture co-related joint business activates
6. Irrigation, drip irrigation, micro irrigation sprinklers rain gain system
7. Modern crops i.e. Bamboo, dragon fruits, sandals
8. Advance finance system
9. Adopts farmers
10. Contract farming
11. Agro processing industry in rural sector

### ***Government Initiatives***

Some of the recent major government initiatives in the agricultural sector are as follows:

- In September, 2019, Prime Minister, Mr. Narendra Modi launched the National Animal Disease Control Programme (NADCP), expected to eradicate foot and mouth disease (FMD) and brucellosis in livestock.
- In May 2019, NABARD announced an investment of Rs 700 crore (US\$ 100 million) venture capital fund for equity investments in agriculture and rural-focused start-ups
- As per the Ministry of Agriculture, during 2019-20, Rs 1.50 crore (0.21 million) has been allocated to state of Andaman and Nicobar as a central share for implementation of per drop more crop component of Pradhan Mantri Krishi Sinchai Yojana (PMKSY).
- Under Budget 2019-20, Pradhan Mantri Samman Nidhi Yojana was introduced under which a minimum fixed pension of Rs 3000 (US\$ 42.92) to be provided to the eligible small and marginal farmers, subject to certain exclusion clauses, on attaining the age of 60 years.
- As per the Union Budget 2019-20, government will work with State Governments to allow farmers to benefit from e-NAM.
- Prime Minister of India, launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and transferred Rs 2,021 crore (US\$ 284.48 million) to the bank accounts of more than 10 million beneficiaries on February 24, 2019.
- The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.

- The Agriculture Export Policy, 2018 was approved by Government of India in December 2018. The new policy aims to increase India's agricultural exports to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime.
- In September 2018, the Government of India announced Rs 15,053 crore (US\$ 2.25 billion) procurement policy named 'Pradhan Mantri Anna data Aay SanraksHan Abhiyan' (PM-AASHA), under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country.
- In September 2018, the Cabinet Committee on Economic Affairs (CCEA) approved a Rs 5,500 crore (US\$ 820.41 million) assistance package for the sugar industry in India.
- The Government of India is going to provide Rs 2,000 crore (US\$ 306.29 million) for computerization of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.
- The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.
- The Government of India plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crore (US\$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.
- **Important policy measures introduced in the rural sector in India for Agriculture and Rural Development:-**
- **Technological Measures:** Initiation of measures to substantially increase agricultural production to meet the growing needs of the population and also to provide a base for industrial development. It includes steps to increase both extensive and intensive cultivation. For the former, irrigation facilities were provided to a large area on an

increasing basis and areas hitherto unfit for cultivation were made fit for cultivation. For the latter, new agricultural strategy was introduced in the form of a package programme in selected regions of the country in 1966. To sustain and extend this programme to larger and larger areas of the country, steps were taken to increase the production of high-yielding varieties of seeds, fertilizers and pesticides within the economy and supplement domestic production by imports whenever necessary. Food grain production which was merely 50.8 million tons in 1950-51, rose to record level of 252.6 million tons in 2011-12

- **Land Reforms:** Land reform measures were introduced to abolish intermediary interests in land. Measures taken under this head included: (i) Abolition of intermediaries; (ii) Tenancy reforms to (a) regulate rents paid by tenants to landlords, (b) provide security of tenure to tenants, and (c) confer ownership rights on tenants; and (iii) Imposition of ceilings on holdings in a bid to procure land for distribution among landless labourers and marginal farmers
- **Cooperation and Consolidation of Holdings:** In a bid to reorganise agriculture and prevent subdivision and fragmentation of holdings, the Indian agricultural policy introduced the programmes of co-operation and consolidation of holdings. The latter programme aimed at consolidating all plots of land owned by a particular farmer in different places of the village by sanctioning him land at one place equal in area (or value) to his plots of land
- **Institutions Involving People Participation in Planning:** Bringing small and marginal farmers together to cultivate jointly is only half of the story. It was precisely with this end in view that **the** Programme of Community Development was initiated in 1952 in the country. Another programme designed to encourage the participation of masses in the planning process (and political decision-making) was the programme of democratic decentralization, often known as **Panchayati Raj**.
- **Institutional Credit: National Bank for Agriculture and Rural Development (NABARD)** was also set up. As a result of the expansion of institutional credit facilities to farmers, the importance of moneylenders has declined steeply and so has the exploitation of farmers at the hands of moneylenders. Currently agricultural credit limit has reached at 8.5 lac cr for 2015-16.
- **Procurement and Support Prices:** To provide remunerative prices to the farmers so that they feel motivated to show more crops.

- **Input Subsidies to Agriculture:** The government has provided massive subsidies to farmers on agricultural inputs like irrigation, fertilizers and power.
- **Food Security System:** In a bid to provide food grains and other essential goods to consumers at cheap and subsidised rates, the Government of India has built up an elaborate food security system in the form of Public Distribution System (PDS) during the planning period.
- **Rural Employment Programmes:** The government introduced various poverty alleviation programmes particularly from Fourth Plan onwards like Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labour Development Agency (MFAL), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Jawahar Rozgar Yojana (JRY) , Jawahar Gram Samridhi Yojana (JGSY), Sampoorna Grameen Rozgar Yojana (SGRY), National Food for Work Programme (NFFWP), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), etc.
- **Rashtriya Krishi Vikas Yojana (RKVY):** The RKVY was launched in 2007-08 with an outlay of Rs. 25,000 crore in the Eleventh Plan for incentivizing States to enhance public investment to achieve 4 per cent growth rate in agriculture and allied sectors during the Eleventh Five Year Plan period. The RKVY format permits taking up national priorities as sub-schemes, allowing the States flexibility in project selection and implementation. The sub-schemes include: Bringing Green Revolution to Eastern India (BGREI); Integrated Development of pulses villages (60,000) in Rain fed areas; Promotion of Oil Palm; Initiative on Vegetable Clusters; Nutri-cereals; National Mission for Protein Supplements; Accelerated Fodder Development Programme; and Saffron Mission
- **National Food Security Mission (NFSM).** The NFSM is a crop development scheme of the Government of India that aims at restoring soil health and achieving additional production of 10, 8 and 2 million tons of rice wheat and pulses respectively by the end of 2011-12. It was launched in August 2007 with an approved outlay of Rs. 4,883 crore for the period 2007-08 to 2011-12. The Mission has focused on the Districts with productivity of wheat/rice below the State average
- **Macro Management of Agriculture.** Macro Management of Agriculture (MMA) is one of the centrally sponsored schemes formulated in 2000-01 with the objective to ensure that Central assistance is spent through focused and specific interventions for development of

agriculture in States. To begin with, the scheme initially consisted of 27 Centrally sponsored schemes relating to Cooperative Crop Production Programmes (for rice, wheat, coarse cereals, jute, and sugarcane), **Watershed Development Programme** (National Watershed Development Project for Rain fed Areas, River Valley Projects/Flood Prone Rivers), Horticulture Fertilizer, Mechanization and Seed Production Programmes. With the launching of National Horticulture Mission (NHM) in 2005-06, 10 schemes pertaining to horticulture development were taken out of purview of this scheme. In the year 2008-09, Macro Management of Agriculture Scheme was revised to improve its efficacy in supplementing/complementing efforts of States towards enhancement of agricultural production and productivity

### **Evaluation**

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

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