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## INDIAN AGRICULTURE SECTOR CHALLENGES AND OPPORTUNITIES

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### ABSTRACT

Agriculture has always been the backbone of the Indian economy and despite concerted industrialization in the last six decades, agriculture still occupies a place of pride. It provides employment to around 60% of the total work force in the country. The significance of agriculture in the national economy can be best explained by considering the role of agriculture in different areas. Agriculture is the life blood of Indian economy. The government's financial allocations have been less for agriculture and irrigation, contribution of agriculture to GDP had dropped from 7.8% to 1.8% and now it may 2.4%. Production has been declining. Higher productivity in cereals and pulses along with scientific storage and ban on acquisition of multi crop lands are to be considered. However, it suffers from low funds, low income, bad monsoon, limited technology, failure of land reforms, unbalanced development etc. But these can be declined with the help of reforms like rural reforms, more credit, technology management, new frontiers, public disinvestment, FDI etc. A mature and civilized nation must cherish its agriculture and protect its farmer.

**Keywords :-** Land Reforms, Unbalanced development, rural reforms, frontiers, Public Disinvestment, FDI.

### Introduction:-

Agriculture has always been the backbone of the Indian economy and despite concerted industrialization in the last six decades, agriculture still occupies a place of pride. It provides employment to around 60% of the total work force in the country. The significance of agriculture in the national economy can be best explained by considering the role of agriculture in different areas. Agriculture is the life blood of Indian economy. The government's financial allocations have been less for agriculture and irrigation, contribution of agriculture to GDP had dropped from 7.8% to 1.8% and now it may 2.4%. Production has been declining. Higher productivity in cereals and pulses along with scientific storage and ban on acquisition of multi crop lands are to be considered. Government agencies provide (owned and rented) 61% agri – storage capacity. Grain safety is an important as grain saving. In US silos have been built at a distance of 100 to 200 Km. Farmers put their stocks there. They are given coupons. Farmers encash coupons when they need money or when the market is high.

### Challenges :-

#### 1) Funds not spent on micro irrigation :-

Indian's failure in agriculture has come under increased security with the food security bill expected to be tabled in Parliament and the soaring food inflation. Agriculture experts have constantly stressed on building up and extensive irrigation system as 60% of the agricultural field is rainfed. But each year, a substantial part of the funds released by the



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central govt. for micro irrigation lie unused. A recent report by MCX and PWC has revealed the huge difference between funds allocated and spent about rupees Rs. 28,215 lakh of the center assistance remained idle in the year 2008-2009 under the micro-irrigation programme across the states.

**2) Income :-**

The two tables of agricultural income are directly attributable to low prices. It is fashionable to say that prices of food and food products are high and hurt the common man. The truth is that prices of agricultural products in India are much below world prices. The WTO has a formula to measure the aggregate support given to agriculture. It is called Aggregate Measure of Support. So far as India is concerned, the AMS is negative. That means, not with standing input subsidies and minimum support prices. India's farmer's bear the burden of a negative subsidy! India's agricultural produces are actually subsidizing the consumers

**3) Bad Monsoon :-**

At the end of a normal year, the farmer finds himself, economically, in the same position as he was at the beginning poor and struggling. In a bad year, when the monsoon fails or the crop is affected, he slips further down the ladder. The farming community gets impoverished. Many sink deeper in to debt. Some commit suicide. The monsoon was erratic in 2000-2001 and as a result, rice output declined by 3.1 million tonnes. In 2001-2002 if there are Floods in one part of the country and drought in another, the position will become worse.

**4) Limited use of technology:-**

Since 1961, the emphasis shifted to the use of seed fertilizer water technology, known as the new agricultural strategy. But the new strategy succeeded only in Wheat and to a small extent in rice, other food and non-food crops did not show perceptible improvement in production. Dry land cultivation was not touched at all by the new agricultural strategy.

**5) Decline in Investment in agriculture :-**

We have generally been given to understand that govt. investment was significant in boosting growth in agriculture. Besides, the role of the Govt, was not only to raise investment but also induce private investment in agriculture.

Public investment is a great disappointment after showing an unhand in the seventies, public investment in real terms has generally declined probably due to diversion on resources from investment to current expenditure in the forms of increased input and input subsidies.

**6) Failure of land reforms:-**

The Govt. Failed to implement the land reforms measures and there of marginal farmer's and land less laborers or protection of tenants from exploitation or eviction. The govt. reconciled itself to its failure to push for the progressive land reforms and shifted the emphasis to technological changes.

**7) Unbalanced agricultural development :-**

Bulk of the increase in out put particularly food grains had been concentrated in a few progressive regions which were already enjoying high levels of consumption of food grains. As a result, the marketable surplus of food grains had been rising at a high rate in these states result in the accumulation of large stocks with govt. with the attendant problems of storage and distribution and the cost of storage and distribution



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**8) Failure to control growth of rural population:-**

The govt, failed to arrest the rapid growth of population in rural areas and also to create non- agricultural employment in the rural sector so that those who could not be provided land in the programme of land redistribution could be provided non -agricultural employment to eke out a living. A programme of a enlarging non – agricultural employment, if it could grow faster than the increase in total labor force could after a period of time help to reduce the excessive pressure of population on land.

**9) Lack of stand ordination and grading :-**

Inadequacies exists in scientific grading of the produce in the county. In the absence of standardization and grading, adulteration is the consequences. Each middle man may adulterate the produce to his short run advantage. This poses a problem in assigning prices to the commodities as per the quality specifications, It is alleged that no proper relation exists between the price and quality of the agricultural commodities and this situation thwarts the farmers in getting a remeneative price in consistant with quality of the product.

**10) Lack of Market information :-**

It is essential for producers, traders, consumers as well as the govt. If market mechanism has to work efficiently. Market information of two types viz, market intelligence and market news. Market intelligence indicates a record of past information in relation to prices , arrivals etc. Market news provided current information on prices, arrivals etc. But in reality the farmers more often than not , are in total dark as far as this information is concered. The farmers do not know the information on the existing prices of the product in the important markets. By an large, the farmers rely on the price information furnished by the traders. The price information provided generally is quity advantageous to the traders, rather than to the farmers.

**Opportunities :-**

**1) Rural Reforms :-**

All this calls for a range of rural reforms at various level. Our Krishi Vigyan Kendras and extension service system is in dire need of restructuring and betterment. We do not see here any new, big ideas on now we can extend the benefit of modern science and technology in an effective manner to our farmers. All over the country we find bureaucratic hurdles have put a stop to revitalizing our extension service. We hope our scientists and the technologists and the Ministry of Food and Agriculture will look in to how we can find new pathways to revitalize our extension services. In the way our agricultural universities and research institutions work, we are required to revitalizing the Indian agricultural research system.

**2) More credit :-**

We have to think fresh in the way we extend credit to our farmers and we say so far more than one reason. As our agriculture becomes. commercialized, there will be more reliance on commercialized inputs. Farmers will need, therefore more credit. If you are operating a system in which more and more innovation also are the by- product of the functioning of not the public sector system but of private enterprise and that's the reality. The first generation of agricultural research was a by product of functioning of public sector system. In our own country as well as abroad. Now for greater reason, the science and technology is also being increasingly privatised. What are the implications of transforming



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our agriculture in this new era of increasingly in this new era of increasingly privatized science and technology. This is also an issue over which we must ponder. If we don't pay adequate attention to this aspect of sustaining our agricultural growth in this new era, Public - Private Partnership is nothing more than buzzword. We have to convert in to a viable development strategy and I seek your talent , guidance as to how to cope with this buzzword.

### 3) Vision :-

Our vision of rural India is of a modern agrarian industrial and services economy, co – existing side by side , where people can live in well equipped villages and commute easily to work be it on the farm or in the non – farm economy. There is much that modern science and technology can do realize this vision. We do believe that knowledge can contribute a great deal to this gigantic national effort. Our scientists, therefore, have an exceedingly important role to play in this realm.

Many of us have been pre- occupied with the problem of agricultural production and productivity having hit a growth plateau. Dr. Swami Nathan has repeatedly alerted us to the need to give a new boost to agricultural research. We do recognize the need to increase the efficiency of utilization of inputs , the need to improve farm management practices , the need to reduce post -harvest losses through better post-harvest management technologies in storage, transportation and processing. These can increase both yields and contribute to higher income for the farmer through better value addition.

### 4) Technology Management :-

We do need a lot more attention to be paid to the management of our agricultural research and technology system. We must also ponder why Bihar which was chosen to be the original location of the Indian institute of Agricultural Research, has failed to catch up with rest of the country ? we also do believe there is a need for increased application of science and modern technology to forest conservation and management environmental protection, management of our animal husbandry resources, water conservation and utilization of herbs and plants. We need a harmonious blend of advanced science and technology, appropriate technology and local knowledge to ensure and equitable distribution of the benefits of new knowledge.

### 5) Seven Components :-

- a) Soil health enhancement through concurrent attention to the physics, chemistry and micro biology of the soil.
- b) Water harvesting, water conservation and sustainable and equitable use of water
- c) Access to affordable credit and to crop and life insurance reform.
- d) Development and dissemination of appropriate technologies.
- e) Improved opportunities, infrastructure and regulations for marketing of produce .
- f) The application of science & Bio – technology to the improvement of seeds and utilization herbal and other plants.
- g) The application of science to animal husbandry to improve the productivity of our livestock and poultry.

### 6) New Frontiers:-

The focus of our agricultural has also shifted from staple crops to high value crops. Apart from government funded research and extension work, we now have privately funded R and D and extension services, like e-chaupe. As we saw earlier, with the recent



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privatization of science and technology there is also an implication on the future of our agricultural growth. How do we manage this technological revolution that does not hurt our farmers but it enables us to reach the new frontiers of production that is something we do believe require some fresh thinking.

Our scientist must work with govt. and non- govt. organizations, local bodies and corporates, to take knowledge to its users. The revolution in information technology has opened up new opportunities. It has made it easier for us to take knowledge to its users. However, the market for knowledge has not yet fully developed in rural areas. It is the responsibility of govt or non – governmental organizations of farmers organization and of the suppliers of such knowledge based services to create such a market.

**7) Tasks on horizon: -**

Our track record in these areas has been impressive and holds promise of more development . Perhaps a much sharper focus is required on strategic research in plant technology. Plants as bio – factories are seen as potential procedures of drugs, vaccines , bio-fuels and bio – plastics. Research in these areas can be enormously beneficial to a country like ours. It can have a global impact too, but for all , this we need a research system, which is well – functioning, which is adequate to the tasks that are how on the horizon.

If the pattern of energy consumption and utilization in Indian agriculture can be altered, made more environment friendly and less dependent on fossil fuels, it could have far – reaching consequences for our growth process , our environment and the well – being of our people.

Indian agriculture certainly needs new investments. It needs new productive enhancing measures. It needs a new wave of entrepreneurships. The agricultural credit system must respond to the felt needs of the farmers. And so should our scientists and managers. Greater Public-Private Partnership is required , but it must not remain a mere buzzword. It can contribute to a revitalization of public institutions and programmes and for this we must use all our knowledge, wisdom and experience-both in the public and private sector.

**8) Much needs to be done:-**

We admit that much still needs to be done to improve the prospect. For farmers Especially in rain –fed areas and for dry-land agriculture. We will need to work towards ensuring mere remunerative prices for our farmers. We are aware of the acute distress of our farmers who bear the burden of heavy debt. Most importantly, we must ensure that more people get employment in manufacturing and service so that the disproportionate burdon on agriculture in providing a livelihood to two- thirds of our population get reduce.

The results of our efforts to improve agriculture are clearly visible in some places. Farmers are getting better prices for many crops. This helps hurts the common man when the prices of essential food. Commodities go up . We need to understand that if we want better prices for farmers so that they earn a better livelihood, the prices of what they produce and sell will have to go up

**9) Others :-**

- a) To promote public investment in agricultural research, Rural infrastructure and irrigation.
- b) To increase the rural credit with low interest rate.



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- C) To introduce the special programme for dry land farmers.e.g. water management , Land Development Programme.
- d) To provide security for the farmer who get loss from International Currency Depression.
- e) To provide better minimum price or reasonable price through marketing system to the farmers from the backward districts , backward state and poor state as well.
- f)To take corrective action on the debts of farmers.

### Conclusion :-

Hence , A mature and civilised nation, we must cherish it's agriculture and protect its farmers. If the price for a robust agricultural sector is to pay a rupee more for a kilogram or litre of food products, we must be prepared to pay that price.

I usually turn to my favourite Philosopher Saint Tiruvallurar writing over 2000 years ago , he said ( Tamil) " Aran Izhu kkathu allavi Nikki Maran Izhukka Manam Udayathu Arasu- ( English) They are good rulers who observed ethics commits no crime no crime and walk the path of honour & courage. Thus , great importance is attached to your deliberations and I conclude by wishing you success in your endeavour.

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