
Research Papers



“Role of agricultural policy for economic development in India.”

Dr. Pawar Vikas J.

HOD Department of Economics
C.K.Goyal College, Dapodi,
Pune – 12

Abstract

India is primarily an Agricultural based country. Agriculture is the back bone of Indian Economy. It is contributed nearly 17.5% gross domestic product with labour force of 52% that means 52% of population depend upon directly on agriculture. It has play vital role in Indian economy. Agricultural is a way of life, a tradition, which for centuries, has shaped the thought the outlook, the culture and the economic life of the people of India. It will be continue to central of all strategies for plan socio-economic development of the country.

Rapid growth of agriculture is essential not only to achieve self – reliance at National level but also for household food security and to bring about equity in distribution of income and wealth resulting of rapid reduction in poverty levels. The National policy on agriculture seeks to actualize the vast untapped growth potential of Indian agriculture, strengthen rural infrastructure to support faster agricultural development, promote value addition, accelerate the growth of agro business, create employment, in rural areas, secure a fair standard of living for the farmers and agricultural workers and their families, discourage migration to urban areas and face the challenges arising out of economic liberalization and globalization.

India is the second most populated country in the world with 1.210 billion population next to china, according to census year 2011, out of total population in India about 68.8% of people living in rural area and 31.2% of people living in urban area. Most of the people living in rural area their occupation are griculture or handicrafts. India is one of the fastest growing economics of the world and is currently the focus of a great deal of international attention. It is the seventh largest country in the world in terms o fits geographical size. India is the third largest economy in Asia after Japan and China, as measured in terms of its GDP and it is continuing to grow rapidly.

Agriculture is an integral part of the general development system. Serving the system as a whole and being served by it. Issues of food security are part of a bigger whole. Sustainable land and water management must be seen as directly linked to food security. Population growth, environmental sustainability, poverty reduction, agricultural production, distribution, marketing, credit and many other factors also need to be recognized as part of this whole. The major challenge is to produce additional food while conserving depleting natural resources. It is also to provide physical economic and ecological access to food and nutrition security at the household level.

The study is based on data pertaining to period of 2009-10 to 2010-11, short period data is used.

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Data is obtained from Ministry of Agriculture, Ministry of statistical programmes Implementation and central Electricity, Regulatory commission, also used data from the world bank group.

Indian Agriculture Policy –

To reform its agricultural policy and the country could not rely on foreign aid and foreign imports for food security. India adopted significant policy reforms focused on the goal of food grain self-sufficiency. This program it was Green Revolution. Green Revolution was began with the decision to adopted high yielding varieties, disease resistant wheat varieties in combination with better farming knowledge to improve productivity. The initial increase in production was centered on the irrigated areas of the India states of Punjab, Harayana, Western Uttar Pradesh. Both the farmers and the Government officials focusing on farm productivity and knowledge transfer, total food grain production soared. In 1975 average yield per hectare was produced 4.7 tons compare to 1948 produced with 0.8 tons. In the year 2000, Indian farm were adopting wheat varieties capable of yielding and tons per hectare. Agricultural policy successes in wheat production, after that Green Revolution technology spread to rice. Since irrigation infrastructure was very poor, Indian farmer innovated with tube – wells to harvest ground water. When gains from the new technology reached their limits in the states of initial adoption, the technology spread in the 1970 to 1980 to the states of eastern India Bihar, Orissa and West Bengal.

Indian Agricultural policy shifted to evolution of a production by introducing cropping pattern and seed technology to improve seed. After, that started other, agricultural commodities like oil seed, fruits and vegetables to improve methods and technologies in allied activities like dairy science, fisheries and livestock. Indian agriculture has since independence made rapid grow in food grain, production early fifties from 51 million tons to 241.56 million tons in 2011.

Table No. 1
Production of Major Agriculture Crops during the year 2009-10 to 2010-11

| S.No. | Crops | 2009-10 | 2010-11 |
|-------|----------------|---------|---------|
| 1 | Rice | 89.09 | 95.32 |
| 2 | Whear | 80.80 | 85.93 |
| 3 | Coarse Cereals | 33.55 | 42.22 |
| 4 | Pulses | 14.66 | 18.09 |
| 5 | Oil Seeds | 24.88 | 31.10 |
| 6 | Cotton | 24.22 | 33.42 |
| 7 | Jute | 11.23 | 9.99 |
| 8 | Sugarcane | 292.30 | 339.16 |

Source :- Ministry of Agriculture (Production in Million tones)

Table No. 1 :- It show increase in food grain and some other important crops. It has contributed significantly in achieving self-sufficiency in food and avoiding food shortages.

Indian agriculture policy is aimed essentially at improving food self-sufficiency and alleviating hunger through food distribution. A side from investing in agriculture infrastructure, the government supports agriculture through measures including minimum supports prices (MSP) for the major agriculture crops. Farm input subsidies and preferential credit schemes.

Indian subsidies agricultural inputs in an attempt to keep farm costs low and production high. Government of India (GOI) intended result is for farmer to benefit from lower costs, but also for them to pass some of the companies selling fertilizers at lower than market prices. Irrigation and electricity on

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the other hand are supplied directly to farmers by GOI at prices that are below the cost of production. These policies result ineffective subsidies to the farmer of 40 to 75% for fertilizers and 70 to 90% for irrigation and electricity. The cost of Indian agricultural input subsidies as a share of agriculture output almost doubled from 6% in 2003-04 to 11.6% in 2009-10, driven mostly by large increases in the subsidies to fertilizer and electricity.

India is now the largest producer of milk in the world. The second largest producer of rice, sugarcane, wheat, cow milk, ground nuts, fruits and vegetables also tea production and export.

Meanwhile India is the world leader in such specialist products as buffalo milk, spices, Bananna, Mango, Chickpeas, etc. Which are important in the Indian diet and also exported.

CONCLUSION :

India today is not only self-sufficient in grain production, but also has a substantial reserve. The progress made in agriculture during the last four decades has been one of the biggest success stories of independent India. Agriculture and allied activities constitute the single largest contributors to the Gross Domestic Product (GDP). About 52% of the work force in the country depends on agriculture as a means of livelihood.

Agriculture occupies a prominent position in Indian policy – making not only because of its contribution to GDP but also because of the large proportion of the population that is dependent on the sector for its livelihood. However it is clear that Indian agricultural sector has made huge strides in developing its potential. The Green Revolution massively increased the production of vital food grain and introduced technological innovations into agriculture. This progress is manifested in Indian net trade position. Where once India had to depend on imports to feed its people, since 1990 it is a net exporter of agri-food products.

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