

# Indian Agriculture : Status, Importance and Role In Indian Economy

Mandeep Mor ' Student '  
F.M.G Government P.G. College Mandi Adampur (Hissar) '

## Abstract

Agriculture is an important part of India's economy and at present it is among the two farm producers in the world. This sector provides approximately 50 percent of total number of jobs available in India and also contributes around 17 percent to our GDP. Agriculture contributes for almost two thirds of employment in India. As being stated by the economic data of financial year 2016-2017, Agriculture has acquired 26.8 percent India's GDP. The agriculture sector of India has occupied almost 60 percent of geographical area in India.

Keywords : GDP, Agriculture Sector

## Introduction

Agriculture plays a vital role in the Indian economy. Over 70 percent of the rural households depend on agriculture. Agriculture is an important sector of Indian economy as it contributes about 17 percent to the total GDP and provides employment to over 60 percent of the population. Indian agriculture has registered impressive growth over last few decades. The food grain production has increased from 51 million tonnes (MT) in 1950-1951 to approximately 275 MT during 2016-2017 highest since independence.

## Objectives of the study

1. To current status
2. To provide a basis of monitoring and evaluation.
3. To know growth after the green revolution.
4. To know which grain or sector has shown more growth.
5. To know growth in industry sectors.
6. To know growth in economy after the green revolution.

## Current Status

1. The Directorate of Economics and Statistics, ministry of agriculture (DESMOA) is responsible for the collection, (a) weekly and daily wholesales prices, (b) retail prices of essential commodities, (c) farm harvest prices.
2. Weekly wholesale prices cover 140 agricultural commodities from 620 markets.

3. Retail prices of essential commodities are collected on a weekly basis from 83 market centres in respect of 88 commodities (49 food & 39 non food) by the staff of the state market intelligence units, state Directorates of Economics and Statistics (DESS) and state department of food & civil supplies.

4. Farm harvest prices are collected by the field staff of the state revenue departments for 31 commodities at the end of each crop season and published by the DESMOA.

### Some salient facts about Agricultural Scenario

1. Agriculture is the largest providers of livelihood in rural India.
2. It contributes 25 percent to India's GDP.
3. It is still dependent on the monsoons.
4. The growth in agriculture production has been stagnant for the past several years.
5. The drought in the north-western part in created shortages in supply of food grains.

#### Contributions to GDP over the years

Sector	1980	1990	2001	2011	2017
Agriculture	38.1	31.1	24.7	14	17
Industry	25.9	29.3	26.4	27.5	31
Service	36	39.7	48.8	57.5	53

(Source: Economic data of India)

### Growth after the Green Revolution

In proper parlance, the phenomenon of the green revolution is identified with India being catapulted from a chronically food short country, with a begging bowl image, to one which was self sufficient and which became overtime even surplus in food. This is what the Green Revolution strategy succeeded in doing between 1967-1968 and 1989-1990 about 80 percent of growth of agriculture output was explained by increase in yields per acre (which grew at 2.5 percent per year) while increase in acreage (which grew only at 0.26 percent per year) account for only 20 percent, in fact in recent years virtually the entire output growth has been attributed to increase in yield, as agricultural acreage has remained stagnant and even shrunk.

### Role of agriculture in Indian Economy

1. Share in national income.
2. Largest employment share.
3. Market for industrial products.
4. Contribution to capital formation.
5. Providing raw material to industries.

## Importance in International Trade

1. Source of employment.
2. Share in national income.
3. Provision of food grains.
4. Supply of raw materials to industrial sector.
5. Boost in foreign exchange.
6. Significance for the trade & transport.
7. Source of revenue for the government.

## Conclusion

1. Change is happening in rural India but it has still a long way to go.
2. Agriculture has benefited from improved farming techniques but the growth is not equitable
3. Land use is changing in rural areas as farmers are getting good value for their holdings. The effort should be to stop the migration to urban areas.
4. Wholesale prices are primarily used to monitor the weekly price movements.
5. The number of essential commodities should be reduced to an absolute minimum, especially the non-food crops.

## References:

- \* An introduction to Agricultural Social Sciences by Dr. Subash Chandra, New Delhi.
- \* Current state of Agriculture in India 2012 Golden Peacock.
- \* <https://www.tradingeconomics.com>
- \* <https://www.commodityonline.com>
- \* Press information bureau Government of India.
- \* General Agrucultural by Muniraj S. Rathore, Jain Brothers.
- \* <https://www.mospi.nic.in>
- \* Agricultural Geography by Jasbir Singh, S. Dhillon, Tata Mcgraw Hill Education Publisher.
- \* Economy of India - Wikipedia sector wise contribution.