



# Understanding Agriculture in INDIA

An insight into Bharatiya Krishi

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## ABSTRACT

Indian Economy has been regarded as an Agro-based primitive economy since long time. It has been pretended to be most vulnerable for food security and economic growth overall concerns. Moreover ever increasing population (about 15<sup>th</sup> the world's) and impoverished poverty (about 21 per cent below poverty line people) housing the country posses another series of challenges. Another fact is that since the day of Independence Indian agriculture has remained pivotal or focused plan-wise-plan and planner to planner. On this very occasion of 75 years of Independence, it is high time to revisit the concept of Indian Agriculture in the context of its role as one of the leading sector of the Indian economy in term of agriculture based export, Gross value Added, Share in Gross Domestic Products and Gross Capital Formation of the sector. In the recent past Indian Agriculture sector has shown steady and stable growth over other sector which has made it more reliable especially during economic bad weathers( global economic slowdown and pandemic time) hence it may be pronounced as the power house of Indian economy with vast growth potential to lead the economy towards sustainability.

**Keywords: Bharatiya Krishi, gross value added, capital formation, reliable.**

Agriculture in India 'Bharatiya Krishi' has been perceived as the way of life, way of thinking and doing since centuries as per the mythological and historical evidences from different sources. It was much more than merely a source of livelihood in the country side. It has not been evolved as a system of farming activities and allied services only but it has been evolved and developed as a rich blend of many aspects of human civilization including culture, religion and life styles etc. Agriculture, since primitive ages had been considered as the best practice, over all other

economics activities namely manufacturing and service. The reason being that agriculture sector had been considered as the only productive sector where goods and things are actually made, in other words utility is being created and added which is not possible, in any other sector, that's why, agriculture had have been designated the centrifugal force for all economic activities. Thus, for centuries, agriculture sector has attained the vital role for all round development of any society whether it was a primitive society or a modern day society of 21<sup>st</sup> century, equipped with better technical know-how. Here, some historical evidences may be cited from ancient literary works that proves the worth of Bharatiya Krishi as

“Uttam kheti Madhyam ban|

Adham chakri Bhikh nidaan||”

The renowned saying that Agriculture is the very first calling for human being, followed by trade and a job is at the bottom in preference order it confirms that agriculture had always been preferred over trade (vyapar). Trade or business activity comes next to Krishi than job had been the last –n– least choice respectively and considered as bad as begging.

In contrary, to the ancient societal set up Bharatiya Krishi has been continuously regarded as the core sector in the economy in free India too. On the eve of independence, when the Planed economic development model was about to unveil, to take INDIA to the new heights on the zenith of overall development, agriculture sector was once again entrusted to play central role, as the core sector with abundance of untapped potential.

**RATIONALE TO DESIGNATE AGRICULTURE AS CORE SECTOR:**

Agriculture in India has been the mainstay of the rural society since time immortal. The



societies were fully dependent on agriculture for their food-feed needs, tradable surplus and even for industrial inputs. Although in Indian history, we have a long list of acute famine in recent centuries which itself witnessed the poor performance of agriculture sector that had been badly failed to produce enough to feed its people. There was great Bengal famine of 1770, Bihar famine of 1873-74, Orissa famine 1866, 1899-1900 western and central Indian famine and known last famine the Bengal famine of 1943 during world war-ii.

An estimated 3 million people were died of starvation and other malnutrition led health issues. Million Millions of people were displaced which disrupted even social and economic fabric of the country. Moreover it had long lasting effects on economic base of Bengal which was predominantly an agrarian economy and shake overall economy led to endless economic devastation (agony) .

Here, I think this was the turning point which compelled Economic thinkers, policy planner to mould their ways of thinking toward Agro-based development strategies in the Asian region generally and particularly in India. On the eve of independence, about 70 percent of national income was derived from the agriculture sector and about 85 per cent people were dependent on agriculture. The most prominent sector was featured as the massive stagnant one with low degree of technical know-how with (least) no hope. The following were the indicators of massive stagnation.

- \* Largest unorganized sector;
- \* Primary source of earning for masses;
- \* small and fragmented holdings;
- \* Primitive farm techniques;
- \* rain fed agriculture;
- \* Minimal production with least productivity;
- \* subsistence sector;
- \* pro- exploitive in nature;
- \* Victimization of government apathy.

This was the core sector of the Indian economy that we inherited from predecessor and entrusted to sky rocket our economy. So the sector was given top priority, considered as panacea for all ills in independent Bharatiya Development Model.

### **Global image of Bharatiya Agriculture in 21<sup>ST</sup> Century**

Agriculture sector has always been remained the bone of contention in India as well as globally because it has been feeding a major chunk of world's population i.e. now a days about 17 per cent of world population.(Business Standard, BS Bureau B2B Mumbai, may 2016)

According to a reputed daily news paper's report, Bharatiya agriculture has emerged as an agriculture powerhouse to the world in 21<sup>st</sup> century. The report was based on the world fact report.

Of Central Intelligence Agency (CIA) stated that genomics of global agriculture has undergone drastic changes in recent past especially in initial phase of 21<sup>st</sup> century. In 2014, the global agriculture produce was of about \$4,771 billion where about half (42 percent) of this output comes from six countries.

Indian agriculture sector has been recognized as a net exportable sector since the economic reforms of 1991. These agro-based exports have been reached about to Rs 2.52 Lakh crore in 2019-20. The major importer countries have been United States of America, Saudi Arabia, Iran, Nepal and Bangladesh. To have deep insight into the matter, major exportable items have been analyzed here i.e. marine products, basmati rice, buffalo meet, spices, non-basmati rice, cotton raw, oil meals, sugar, castor oil and tea. Although India's agricultural-led-exports have a very meager 2.5 per cent share in world Agro-trade. For quite recent a drastic change has been observed in the composition of Indian Export basket.

For last six year marine products in total agricultural export value increased from 14.5 per cent to 19 per cent by 2019-20 followed by rise in basmati rice while share of non-basmati rice, spices and sugar have recorded same trend. The share of commodities i.e. buffalo meat, raw cotton in agricultural export value, however, declined over time. Commodities namely castor oil and tea have remained almost intact. Capital formation has been considered a must for Indian agriculture to make it sustainable and to provide present and future food feed needs of a major chunk of world's population. An analysis of the share of agriculture and allied sectors in the country's Gross Value Added (GVA) has been declined from 18.2 per cent in 2014-15 to 17.8 per cent in 2019-20.



**Agriculture and Allied Sector's contribution in Gross Value Added (GVA) to total Economy GVA**  
**Table-1**

Year	Crops	Livestock	Forestry & Log <sup>^</sup>	Aquaculture
2015-16	10.6	4.6	1.5	1.1
2016-17	10.6	4.8	1.5	1.1
2017-18	10.4	5.1	1.4	1.2
2018-19	9.4	5.1	1.3	1.2

<sup>^</sup>forestry & log (forestry & logging)

<sup>^</sup> Contributions in per cent.

Since 2015-16 crops component has been major contributor of Agriculture and allied sector in terms of GVA while in subsequent years its contribution has recorded declining trends over the time. Therefore Livestock has been another major contributor to Economy's GVA reason being that livestock can't be viable in isolation with crops. It is the pure blend which we inherited from our ancestral since time immortal. Livestock in Indian agriculture concept is a way of life that may be regarded as an ethical or religious bond or obligation. Hence these two components have been adding about 85 per cent to total GVA of economy. Aquaculture has shown a bit positive responses with wide future potentiality.

### GROSS CAPITAL FORMATION

Gross capital formation has been used as another measuring rod to gauge the importance of agriculture and allied sector. The changing food habits and priorities of population across the world have also been casting deep effects on this sector. The era of globalization may be regarded as an era of economic integration and economic transformation where we need to meet the global standard of our produce in quality and quantity wise including staple foods and others. Hence, hefty capital formation in the sector is direly needed to cater the food –feed needs of domestic and global market. Capital formation in agriculture sector is done by both public and private sector but being the largest unorganized sector it is hard to acknowledge and enlist each private sector spending on capital while public sector spending has been accounted from different authentic sources.

### Gross Capital Formation in Agriculture and Allied Sector

Table-2

Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
GCF IN % OF GVA	17.7	17.0	14.7	15.5	15.5	16.4
GRWOTH TRENDS	+ve	-ve	- ve	+ ve	No change	+ve

\* Gross capital formation in percentage of Gross Value Added in Agriculture and Allied Sector

\*based on estimates of 2010-11 prices

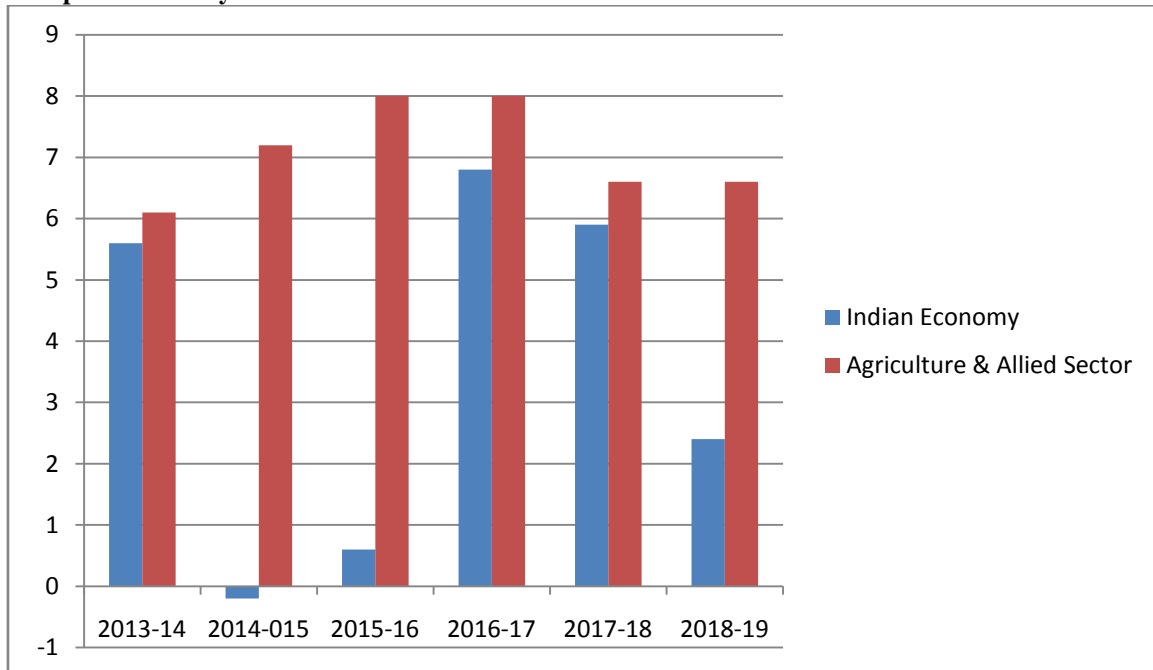
Capital formation in stock and other forms has been given top priority year after year .In the analysis, year 2013 on ward initially capital formation has recorded with negative growth till 2016. Thereafter it is increasing in percentage as well as in absolute terms. The Gross Capital formation (GCF) of Agriculture, forestry and fishing has increased gradually as per NSSO reports for 2017-18 ,2018-19 and 2019-20 i.e. Rs.3,62,706 crore, 4,07,842 crore and 4,46,044 crore respectively. The NSSO report

of May, 2021 has announced that agriculture has been the bright spot in the economy despite COVID -19. Thus In can be pronounced as power house of Indian Economy.

Agriculture and Allied sector has drawn new contours of overall growth of Indian economy in recent past n especially during pandemic time. An analysis of comparative growth of the sector has been presented with overall growth of the Indian Economy.



**Growth of GVA of Indian Economy with Agriculture & Allied Sector:  
A Comparative Analysis**



The growth of Indian economy and Agriculture & Allied sectors has been presented, witnessing its volatile nature throughout the time series. The average Gross value added in the Agriculture and Allied sectors seems to be more stable and sustainable over the period in comparison to whole Indian growth. Moreover, Agriculture & Allied sector has never been reported negative growth in the line of Indian economy. For the year 2020-21 GVA for Indian economy was predicted to be negative 7.2 per cent while Agriculture & Allied has been predicted to have a positive growth.

In concluding remarks it would not be wrong to say that Indian Agriculture sector has a vast potential to make Indian economy sustainable on all fronts.

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