

Agriculture at a glance

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The history of Agriculture in India dates back to Indus Valley Civilization. India ranks second worldwide in farm outputs. India ranks first in the world with highest net cropped area followed by the US and China. The economic contribution of agriculture to India's GDP is steadily declining with the country's broad-based economic growth. Still, agriculture is demographically the broadest economic sector and plays a significant role in the overall socio-economic fabric of India.

In news: The state of agriculture in India

Placing it in syllabus: Law & Policy

Dimensions

- Agricultural GDP and trends
- Land holding Pattern
- Employment in Agriculture
- Capital Formation in agriculture
- Food Grain Production in India

Content:

Agricultural GDP and Trends:

- The agriculture sector employs nearly half of the workforce in the country. Agriculture is the primary source of livelihood for about 58% of India's population.
- However, it contributes to 17.5% of the GDP (at current prices in 2015-16).
- Gross Value Added (GVA) by agriculture, forestry and fishing was estimated at Rs. 19.48 lakh crore (US\$ 276.37 billion) in FY20 (PE).
- Growth in GVA in agriculture and allied sectors stood at

4% in FY20. The agriculture, forestry and fishing gross value added (GVA) growth is likely to be 3% in the second quarter of FY21.

Comparison with Other sectors:

- the agriculture sector's contribution to the Gross Domestic Product (GDP) decreased from 54% in 1950-51 to 15.4% in 2015-16, while that of the services sector increased from 30% to 53%.
- While the agriculture sector's contribution to GDP has decreased over the past few decades, the contribution of sectors such as manufacturing (employing 10.5% of the population) and services (employing 24.4% of the population) has increased.

Land holding Pattern

- 140 million hectare of land is used for agricultural purposes, as of 2012-13.
- Over the years, this area has been fragmented into smaller pieces of land.
- The number of marginal land holdings (less than one hectare) increased from 36 million in 1971 to 93 million in 2011.
- Marginal and small land holdings face a number of issues, such as problems with using mechanisation and irrigation techniques.
- Since smaller land holdings are either fragments of larger holdings which have been passed on within the family or have been informally leased by a large holder, farmers who cultivate these holdings often do not have a formal lease agreement.
- The absence of such land records does not allow these farmers to access formal credit or be eligible for government benefits such as input subsidies or crop insurance schemes.

Informal Leasing:

- Of the total agricultural area under operation, 10% of land has been given out on agricultural leases, with the percentage of leased out land varying across states.
- 34% of the land in Andhra Pradesh, 25% in Punjab, 21% in Bihar and 18% in Sikkim has been leased out.
- In the past, states such as Karnataka and West Bengal have attempted to provide legal rights to tenant farmers by forming electronic records of land holdings and giving tenant farmers the right to their produce.

E-Bhoomi project in Karnataka

- The E-Bhoomi project was started by the Government of Karnataka in the early 2000s.
- The project aims to computerize existing land records and create a transparent system for changing land records and dividing or merging plots of land.
- Under the system, farmers can collect land record information for their plot at the Tehsil level, called Pahani.
- These records would contain information such as the survey number of the land, land owner's details, the classification of the soil, and details regarding irrigation and crops grown, among others.
- The Pahani would enable the farmer to (i) know whether the plot he wants to purchase is genuine, (ii) raise farm credit from banks, (iii) use the land records for official or legal purposes.
- E-Bhoomi also allows farmers to approach the government to address grievances.

Employment in Agriculture:

- Employment in agriculture (% of total employment) (modeled ILO estimate) in India was 43.21 as of 2019. Its highest value over the past 28 years was 63.05 in

- 1991, while its lowest value was 43.21 in 2019.
- Out of which % male workers in India were 39.53 as of 2019. Its highest value over the past 28 years was 58.61 in 1991, while its lowest value was 39.53 in 2019.
 - Employment in agriculture, female (% of female employment) (modeled ILO estimate) in India was 56.50 as of 2019. Its highest value over the past 28 years was 76.28 in 1991, while its lowest value was 56.50 in 2019.

Capital Formation in agriculture:

- Capital Formation assumes paramount importance in the context of policy making because it acts as an indicator in the measurement of economic growth
- It reveals the potentiality of the investment in the public as well as the private sectors and gives net addition to the assets created during the year.
- It is found that the share of capital formation in agriculture to gross capital formation was
- declining continuously from 1990-91 to 1998-99. After that it started to rise and then again it was declining from the year 2003-04. It was 8.39 % in the year 2008-09.
- The share of agriculture to GDP and share of Gross capital formation in agriculture to Gross Capital Formation were declining after the 1991 reforms.
- The share of Gross Capital Formation in Agriculture to GDP and its share to Gross Domestic Product of Agriculture were reducing year after year after 1990-91.
- The share of private investment started to rise after the reform period, yet the magnitude of change has been declining.
- Gross Fixed Capital Formation constitutes a higher portion in the GCF. The growth in private investment is higher than the public investment.

Food Grain Production in India

- India's production of food grains has been increasing every year, and India is among the top producers of several crops such as wheat, rice, pulses, sugarcane and cotton.
- It is the highest producer of milk and second highest producer of fruits and vegetables.
- India contributed 25% to the world's pulses production, the highest for any one country, 22% to rice production and 13% to wheat production.
- It also accounted for about 25% of the total quantity of cotton produced, besides being the second highest exporter of cotton for the past several years.
- However, the agricultural yield (quantity of a crop produced per unit of land) is found to be lower in the case of most crops, as compared to other top producing countries such as China, Brazil and the United States.
- Although India ranks third in the production of rice, its yield is lower than Brazil, China and the United States. The same trend is observed for pulses, where it is the second highest producer.

Mould your thought: Agriculture is demographically the broadest economic sector and plays a significant role in the overall socio-economic fabric of India. Evaluate.

Approach to the answer:

- Introduction
- Discuss the Contribution of Agriculture to GDP
- Discuss the Land holding pattern and Employment in Agriculture
- Discuss how these play a role in socio-economic fabric of India
- Conclusion