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Agriculture trends in India

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Abstract
Indian agriculture has seen profound changes during the last five and half decades. The agricultural sector in India is enormously significant despite its declining share in GDP. Sectoral shifts occurring as a result of the development process have raised the share of the Services sector in Gross Domestic Product (GDP) during the 1990s, while Agriculture, which had a predominant share in GDP in the 1950s, contributed only 17.8 per cent 2007-08 (Economic Survey, 2008-09). In the early years of economic planning, food availability was a serious problem in India. The total food grain production was hardly 51 million tonnes in 1950-51, which increased to 234.48 million tonnes in 2008-09. Tenth Plan (2002-07) targets 4 per cent growth rate but reached only 2.30 per cent as the agriculture sector faced drought in 2002-03. Agriculture, in spite of its decline in the share of the country's GDP, plays a very important role in the all-round economic and social development of the country. The growth rate of the agriculture sector in India increased after independence for the government of India placed special emphasis on the sector in its five-year plans. Further, the Green revolution took place in India and this gave a major boost to the agricultural sector in terms of increased irrigation facilities, provision of agricultural subsidies and credits, and improved technology. This, in turn, helped to increase the Agricultural Growth Rate in India and increased its share in GDP.

Keywords: India, Agriculture, Five year plans, GDP.

1. Introduction
Indian agriculture has seen profound changes during the last five and half decades. In the beginning of the era of planned development, that is 1950-51, only 17 per cent of cultivated area of the country was under irrigation and 83 per cent was entirely rain fed. Accordingly, Indian agriculture was described as a gamble in monsoon. With the beginning of First Five Year Plan, India started making large investments in medium and major irrigation projects with the main aim of raising agricultural production and productivity and also to reduce dependence of agriculture on rainfall. Between 1951 and 1965, more than 8 million hectares were brought under irrigation which also included area under minor irrigation. This raised area under irrigation from 22.56 million hectare to 30.90 million hectare but still 80 per cent of the area remained rain fed. There was not much change in technology in this period and change in productivity and increase in output came primarily from expansion in net sown area and gross sown area.

The country witnessed droughts during 1965-66 and 1966-67 which put Indian agriculture in a precarious situation. The country then went for adoption of high yielding varieties of wheat and paddy which paved the way for technology led growth. This helped in achieving substantial increase in food production in a short period and India was close to attaining food self-sufficiency by early 1980's. However, year to year fluctuations in output continued to be a matter of serious concern. These fluctuations had serious implication for aggregate supply management, price shocks and farm income (Chand and Raju, 2008).

The agricultural sector in India is enormously significant despite its declining share in GDP. Sectoral shifts occurring as a result of the development process have raised the share of the Services sector in Gross Domestic Product (GDP) during the 1990s, while Agriculture, which had a predominant share in GDP in the 1950s, contributed only 17.8 per cent 2007-08 (Economic Survey, 2008-09). The annual compound growth rate for production (all crops) declined from 3.19 per cent during the 1980s to 1.73 per cent in the following decade-well below the average annual population growth rate of 1.93 per cent. For the sector as a whole, the average annual rate of growth for Agriculture and Allied activities fell to 3.6 per cent during the period 1992-2000 compared with a growth rate of 3.9 per cent during the period 1980-1992 (at 1993-94 prices) and further down to 2.6 per cent after 2000. The slow growth of employment in the economy (stagnant at 2.04 per cent per annum since 1983) and the declining employment opportunities in the farm and non-farm sectors (with employment

growth rate in agriculture falling from 1.51 per cent in 1983-84 to -0.34 per cent during 1994-2000) has kept development of the agricultural sector at the top of the policy agenda. Indian agriculture bears the attack of continual droughts, frequent cyclones, floods and uncertain monsoon, causing untold misery to millions of farm households across the country. Added to high monsoon dependence and inadequate crop insurance, there are several other factors affecting the performance of the sector: (Raju, Yarram 2005).

2. Agriculture Trends in India

In the early years of economic planning, food availability was a serious problem in India. The total food grain production was hardly 51 million tonnes in 1950-51, which increased to 234.48 million tonnes in 2008-09. Ninth Five Year Plan (1997-2002) emphasized on building of food stock to take up the challenge of famine and ever increasing demand for food from the masses. However, the average Compounded Annual Growth Rate (CAGR) of agriculture and the allied sector remained low and volatile since the beginning of the said Plan. In the Eighth Plan (1992-97) average annual growth rate of agriculture was 4.72 per cent, which declined to 2.44 per cent in the Ninth Plan (1997-2002).Tenth Plan (2002-07) targets 4 per cent growth rate but reached only 2.30 per cent as the agriculture sector faced drought in 2002-03.

Table 1: Total food grains production in overall India

Year	Total food grains production (in million tonnes)
1950-51	50.83
1960-61	82.02
1970-71	108.42
1980-81	129.59
1990-91	176.39
2000-01	196.81
2006-07	217.28
2007-08	230.78
2008-09	234.48
2009-10	218.2

Source: Ministry of Agriculture Govt. of India and www.rbi.org

The agricultural yield increased after independence but in the last few years it has decreased. This, in its turn, has reduced the Growth Rate of the Agricultural sector in India GDP. The total production of food grains was 212 million tonnes in 2001-02 and in the next year it declined to 174.2 million tonnes. Agricultural Growth Rate in India's GDP declined by 5.2 per cent in 2002-03. The share of the Agriculture Sector in India's GDP grew at the rate of 1.7 per cent each year between 2001-2002 and 2003-2004. This shows that agriculture's growth rate in India's GDP was very slow in the last few years. Total food grains production was 234.48 million tonnes in the year 2008-09 (Economic Survey, 2008).

Table 2: Agriculture sector growth rates in five years plan from VIII to XI

Plan	Agriculture (per cent per annum)	Total (per cent per annum)
VIII	4.72	6.54
IX	2.44	5.52
X	2.30	7.74
XI*	4.00	9.00

Source: www.indiastat.com , **Note:** * indicate targets.

The growth rate of Indian GDP was 9.4 per cent in 2006-07. The agriculture sector has always been an important contributor to India's GDP. This is due to fact that the country is mainly based on the agriculture sector and employs around 60 per cent of the total workforce in India. The agricultural sector contributed around 8.6 per cent to India's GDP in 2005. Agriculture, in spite of its decline in the share of the country's GDP, plays a very important role in the all-round economic and social development of the country. The growth rate of the agriculture sector in India increased after independence for the government of India placed special emphasis on the sector in its five-year plans. Further, the Green revolution took place in India and this gave a major boost to the agricultural sector in terms of increased irrigation facilities, provision of agricultural subsidies and credits, and improved technology. This, in turn, helped to increase the Agricultural Growth Rate in India and increased its share in GDP.

Agricultural growth rate in India has slowed down due to reduction of production in this sector over the years. The agricultural sector had witnessed low production due to a number of factors such as illiteracy, insufficient finance, and inadequate marketing of agricultural products. Further, the reasons for the decline in the growth rate of agriculture and a decline in its share of India GDP are that in the sector the average size of the farms is very small which, in turn, has resulted in low productivity. Also, the share of the agricultural sector in India's GDP has declined due to the fact that the sector has not adopted modern technology and agricultural practices. Its share in GDP has also decreased due to the fact that the sector has insufficient irrigation facilities. As a result of this, the farmers are dependent on rainfall, which is, however, very unpredictable. The Indian government must take steps to boost the agricultural sector for this in its turn will lead to the growth of India's GDP.

Table 3: Plan wise share of Agriculture Sector in Gross Domestic Product at factor cost (at current price)

Average of Five Year Plan	Share of Agriculture Sector in GDP
I (1951-56)	51.89
II (1956-61)	48.30
III (1961-66)	44.49
(1966-69) Plan holiday average	46.69
IV (1969-74)	45.03
V (1974-78)	40.47
1978-80	37.15
VI (1980-85)	36.63
VII (1985-90)	32.23
1990-92	31.13
VIII (1992-97)	30.03
IX (1997-2002)	25.07
X (2002-07)	20.28
2007-08	17.08
2008-09	17.00

Source: www.indiastat.com and 10th five year plan (2002-07) Vol-1, "Planning Commission", Govt. of India, New Delhi.

3. Conclusions

Indian agriculture has seen profound changes during the last five and half decades. With the beginning of First Five Year Plan, India started making large investments in medium and major irrigation projects with the main aim of raising

agricultural production and productivity and also to reduce dependence of agriculture on rainfall. The agricultural sector in India is enormously significant despite its declining share in GDP. Sectoral shifts occurring as a result of the development process have raised the share of the Services sector in Gross Domestic Product (GDP) during the 1990s, while Agriculture, which had a predominant share in GDP in the 1950s, contributed only 17.8 per cent 2007-08 (Economic Survey, 2008-09).

In the early years of economic planning, food availability was a serious problem in India. The total food grain production was hardly 51 million tonnes in 1950-51, which increased to 234.48 million tonnes in 2008-09. Ninth Five Year Plan (1997-2002) emphasized on building of food stock to take up the challenge of famine and ever increasing demand for food from the masses. However, the average Compounded Annual Growth Rate (CAGR) of agriculture and the allied sector remained low and volatile since the beginning of the said Plan. Tenth Plan (2002-07) targets 4 per cent growth rate but reached only 2.30 per cent as the agriculture sector faced drought in 2002-03.

Agriculture, in spite of its decline in the share of the country's GDP, plays a very important role in the all-round economic and social development of the country. The growth rate of the agriculture sector in India increased after independence for the government of India placed special emphasis on the sector in its five-year plans. Further, the Green revolution took place in India and this gave a major boost to the agricultural sector in terms of increased irrigation facilities, provision of agricultural subsidies and credits, and improved technology. This, in turn, helped to increase the Agricultural Growth Rate in India and increased its share in GDP.

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