

UNIT III

AGRICULTURAL GROWTH IN INDIA

India is primarily an agricultural economy. Nearly 75 per cent of the people in India depended on agriculture either directly or indirectly for their living.

CONTRIBUTION OF AGRICULTURE TO ECONOMIC DEVELOPMENT OR THE ROLE OF AGRICULTURE IN ECONOMIC DEVELOPMENT

- a. Providing increased food supplies and raw materials.
- b. Counteracts of Inflation
- c. Earns Foreign Exchange
- d. Provides market for manufactured goods
- e. Ensures supply of labour to industry.

ROLE OR PLACE OF AGRICULTURE IN INDIAN ECONOMY

- a. Sources of livelihood for the majority
- b. Provides largest employment
- c. Supplies raw material to Agro-industries
- d. Transport system depends on agriculture
- e. Exports depend on agriculture
- f. Supply food for people and fodder for cattle

DIFFERENCES IN AGRICULTURE AND INDUSTRY

AGRICULTURE	INDUSTRY
a. It is the production of crops by the cultivation of soil.	a. It produces goods and services with the Co-ordination of factors of production.
b. It provides foods for the people and fodder for cattle.	b. It produces goods which are mainly for intended for a comfortable living.
c. Man cannot live without agriculture.	c. Man can live without industry.
d. Agricultural commodities cannot be produced with industrial goods.	d. It can produce with agricultural goods.
e. The gestation period is very large.	e. Gestation period depends on investment.
f. Nature will predominate in agriculture.	f. Industry the part played in nature.
g. LDR operates in agriculture.	g. LDR does not operate. Technology put off.
h. Farmer is a price taker.	h. Producer is a price maker.
i. Management is not very tough job.	i. It is a very tough job in factory.

AGRICULTURAL PROBLEMS

- a. Diversities in the agricultural sector.
- b. Multiplicity of crops.
- c. Diversities in other spheres.
- d. Semi commercialised farming.
- e. Unequal distribution of land and predominance of small farmers.
- f. Poverty.
- g. Growing indebtedness of the farmers.
- h. Low productivity.
- i. Vast unemployment and under employment.
- j. Others.

AGRICULTURAL HOLDING

It means all the land directly cultivated by a single person or agency, managing and conducting agricultural operations either by his own land or with the assistance of members of his family.

OPTIMUM HOLDINGS

As holdings of the optimum size which is neither too big nor too small, but the right size required to get the maximum income of the cultivator.

ECONOMIC HOLDINGS

It denotes a holding which will yield the farmer at least a subsistence. It gives the maximum return to the farmer and enables him to make use the best method of cultivation.

SUB – DIVISION

It is the distribution of land of a common ancestor among his successors in interest. It takes place when the land owner dies and property is divided among his sons.

FRAGMENTATION

It refers to the way in which the land owned by an individual is scattered all over the village area in fields separated by lands possessed by others.

CAUSES OF SUB – DIVISION AND FRAGMENTATION

- a. Law of inheritance.
- b. Rapid increase in population.
- c. Decline in indigenous industries.
- d. Land reform measures.
- e. Rural indebtedness and money lenders.

EFFECTS OF SUB – DIVISION AND FRAGMENTATION

- a. Increased cost of production or expensive in agriculture.
- b. Waste of factors of production.
- c. Agricultural improvement impossible.
- d. Litigation.
- e. Poverty and indebtedness.

MEASURES FOR CONSOLIDATION OF HOLDINGS

There are two methods of consolidation of holdings are as follows:

- a. Voluntary co-operation the cultivators.
- b. Compulsory methods adopted by the government.

AGRICULTURAL PRODUCTION

It denotes the quantum of agricultural crops produced in the economy during the course of the period, viz., a year. It takes place in the economy with one unit of land, labour and capital or what is the cost of producing one unit of agricultural output.

AGRICULTURAL PRODUCTIVITY

It is the “capacity to produce” with unit resources. It depends on land, labour and technology productivity.

CAUSES FOR LOW PRODUCTIVITY IN AGRICULTURE

1. Size of Holdings:

The average size of holdings in India is very low, less than 2 hectares or 5 acres due to which no scientific cultivation with improved techniques and seeds can take place. Small sized holdings lead to great waste of time, labour, difficulty in proper utilization of irrigation facilities and irrigation among farmers.

2. Poor Techniques of Production:

The Indian farmers have been using old and inefficient methods and techniques of farming. Only in the recent years, the farmers have started adopting improved implements like

steel ploughs, sugarcane crushers, small pumping sets, harrows, fodder cutters etc. In India, the use of farm to yard manure and chemical fertilizers is extremely inadequate. The Indian farmers do not have the means to purchase good quality seeds and better techniques of farming due to scarcity of funds.

3. Inadequate Irrigation Facilities:

One of the basic causes for the weakness of Indian agriculture has been that most of the farmers throughout the country have to depend upon rainfall and very few of them can avail the facilities of artificial irrigation. Despite a vigorous programme of major and minor irrigation works since 1951, the ratio of irrigated land to total cultivated land is now about 33 per cent.

4. Pressure of Population on Land:

The pressure of population on land is continuously increasing, whereas the number of people dependent on agriculture was 16.3 crore in 1901, it rose to 44.2 crore in 1981. Though additional land has been brought under cultivation since 1901, yet per capita cultivated land has declined from 0.444 hectares in 1921 to 0.296 hectares in 1961 and further to 0.219 hectares in 1991.

Increasing pressure of population on land is partly responsible for the sub-division and fragmentation of holdings. The cultivated land (hectare per person) in India declined up to 0.14 in 2009 according to a World Bank report published in 2010.

5. Land Tenure System:

A very important factor of low agricultural productivity was the absence of proper incentives. Under the Zamindari system, the cultivator was only a tenant who could be turned out of the land. Even though the Zamindari system has been abolished and tenancy legislations have been enacted yet the position of tenants is still far from satisfactory.

6. Lack of Credit and Marketing Facilities:

On account of lack of marketing facilities and non-availability of loan on fair rate of interests, the cultivators are not able to invest the requisite resources in agriculture. This keeps the level of productivity on land and per cultivator low.

Indian farmers do not get a fair return for their crops. It has been estimated that on an average the agriculturist cannot get more than 50 per cent of the price. As majority of the farmers are poor they cannot hold their crops for a long time so as to have a better price for their crops because they have to return the loans taken for purchasing seeds, fertilisers, water etc.

Moreover inadequate storage facilities and chain of middle men make the marketing system more complex. Although there is government agency like Food Corporation of India for this but it handles only big and rich farmers. Cooperative Marketing Societies and Warehousing facilities are not developed.

7. Unreliable Monsoon:

The Indian farmer is at the mercy of the Monsoon which can sometime bring very heavy rains and cause floods and sometimes dry spells that can lead to drought conditions. Also the amount of rainfall in a particular season is not dependable.

8. Soil Erosion:

In a land of heavy rains, removal of natural vegetation can be disastrous. It leads to wide-spread soil-erosion. The land has been under cultivation for over 5000 years and if it is not taken care of, it loses its fertility reducing its yield. Large tracts of fertile land suffer from soil erosion by wind & water.

9. Human Factors:

Most farmers do not own the land they cultivate. The land is owned by the absentee landlords who are indifferent to land improvement and the plight of the farmers. Poverty is serious problem. Farmers are often burdened with inherited debts. They cannot afford to use

modern equipment and buy better seeds. Moreover they do not have security against the crop failure.

10. Fertilizer and Biocides:

Indian soils have been used for growing crops over thousands of years without caring much for replenishing. This has led the farmers to depend on minerals. The chemical fertilizers are costly and often beyond the reach of the poor farmers.

Cow dung, though a good manure has limited use as much of the cow dung is used as kitchen fuel due to the reduction in the supply of fuel wood. Drainage manures are best to keep the soil in good health and India has a vast potential of rural and urban compost which is not fully utilized at present.

MEASURES TO INCREASE PRODUCTIVITY

The following points highlight the top eleven suggestions to increase agricultural productivity.

1. Transport Facilities:

To facilitate the farmers to produce new farm inputs and enable them to sell their product in markets, villages should be linked with mandies. It would help to raise their income which in turn stimulates the farmer's interest to adopt better farm technology with sufficient income. Thus the cultivator can invest more for the improvement of land.

2. Irrigation Facilities:

Crop productivity depends not only on the quality of input but also on the irrigation facilities. Therefore, canals, tube wells should be constructed to provide better irrigation facilities for the security of crops. Extensive flood control measures should be adopted to prevent the devastation caused by floods.

3. Institutional Credit:

To save the farmers from the clutches of moneylenders, adequate credit facilities should be made available at reasonable cheap rates in rural areas. The land mortgage banks and co-operative credit societies should be strengthened to provide loans to the cultivators. Moreover, integrated scheme of rural credit must be implemented.

4. Proper Marketing Facilities:

Marketing infrastructure should be widened and strengthened to help the farmers to sell their products at better prices. There should be proper arrangements for unloading of the produce in the markets. Besides, price support policy must be adopted and minimum prices should be guaranteed to the peasants.

5. Supply of Quality Inputs:

The farmer in the country should be supplied with quality inputs at proper times and at controlled prices. To protect the farmers exploitation, effective steps are needed to be taken to check the sale of adulterated fertilizers.

6. Consolidation of Holdings:

In various states consolidation of holdings is not satisfactory. Therefore, efforts should be made towards completing the consolidation work in the specific period of time. Big areas of land which are lying waste, can be reclaimed and made fit for cultivation.

7. Agricultural Education:

In a bid to guide and advise the farmers regarding the adoption of new technology arrangements should be made for agricultural education and extension services. It would assist the farmers to take proper crop-care leading to increase in crop productivity.

8. Reduction of Population on Land:

As we know, that in our country, majority of population depends on agriculture to earn their both ends meet. This increases the pressure of population on land which leads to subdivision and fragmentation of land holdings.

Therefore, proper climate should be generated to encourage the farm people to start employment in subsidiary occupations. It will help to reduce the population pressure on land. Surplus labour should be withdrawn from agriculture sector and be absorbed in non-agricultural sector.

9. Provision of Better Manure Seeds:

The farmers should be made familiar with the advantage of chemical fertilizer through exhibitions and these inputs should be made easily available through co-operative societies and panchayats. Liberal supplies of insecticides and pesticides should be distributed at the cheap rates all over the country side.

10. Land Reforms:

It is also suggested that efforts should be made to plug the loopholes in the existing land legislations so that the surplus land may be distributed among the small and marginal farmers. The administrative set-up should be streamlined and corrupt elements should also be punished. It will help to implement the law properly.

11. Co-operative Farming:

To check the sub-division and fragmentation of holding, the movement of co-operative farming should be launched. Co-operative farming would result in the adoption of modern technology on so-called big farms. In this way, agriculture will become profitable occupation through economies of large-scale farming.

12. Development of Cottage and Small Scale Industries:

In rural areas, more emphasis should be made to set up cottage and small scale industries. This will raise the income of the peasants and keep them busy during the off season.