

INDIAN AGRICULTURE: PERFORMANCE AND CHALLENGES

Prof. NEETA J. HONRAO

Brijlal Biyani Science College, Amravati

Email - nita.honrao19@gmail.com

Introduction

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. As per the 2nd advised estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is estimated to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

Structure and Structural Transformation of Indian Agriculture

The agriculture sector in India has undergone significant structural changes in the form of decrease in share of GDP from 30 percent in 1990-91 to 14.5 percent in 2010-11 indicating a shift from the traditional agrarian economy towards a service dominated one. This decrease in agriculture's contribution to GDP has not been accompanied by a matching reduction in the share of agriculture in employment. About 52% of the total workforce is still employed by the farm sector which makes more than half of the Indian population dependant on agriculture for sustenance (NSS 66th Round). However, within the rural economy, the share of income from non-farm activities has also increased.