

AGRICULTURAL DEVELOPMENT – MAHENDRA DEV (2012)

SECOND PART

ASSESSING THE PERFORMANCE OF AGRICULTURE

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Course – GE Hons.

Subject : INDIAN ECONOMY –II

OVERVIEW

Having looked at the different policies employed in agriculture .Now it is important to look at the outcomes of these policies in terms of agriculture growth , cropping patterns and regional disparities etc.

- The share of agriculture and allied activities in GDP declined from 57% in 1950-51 to 15% in 2008-09 while its share in workforce fell from 75% in 1961 to 56% in 2004-05.
- After the independence relative comparison of agriculture with other sector up to the period 2004-05 tells that Agricultural sector share in GDP roughly fell by 34 percent while it's share in employment fell only by 19% .
- This suggests that pace of Urbanization has been slow and productivity gap between Agriculture and other sectors is increasing rapidly.

Growth summary

- But the story of Agricultural growth has been overall a positive one particularly after the independence
- Its averaged around 2.5 per cent per annum compared to growth rate of 0.4 percent per annum before independence . As a result we achieved significant gains in food grains and non food grains crops.

Decade wise story

- In terms of decadal average, agriculture managed highest growth in 1980s of more than 3 percent thereafter reforms it fallen to 2.7 percent per annum .
- Deceleration was quite glaring in second half of 1990s compare to first half
- It was just around 1.6 from 1997-98 to 2005
- Shining periods

Particularly two periods one first half of 1990s that's is from 1992-1997 in which it averaged around 3.9 and then after from 2004-2011 when again it went up to 3.5 percent .

Modernization of agriculture

Extensive cultivation has characterised Indian agriculture during the pre 1965 era and in the post green revolution period. There has been significant achievements in the use of modern inputs in agriculture.

From 1950 to 2003 following is the increment in terms of percentage in these two indicators :

- > Net irrigated area / net cultivated area – from 17% to 41 %
- > Fertilizer consumption – from 1 kg/ha to 90 kg/ha
- > HYVs/ cereals cropped area – from 15 % in 1970 to 75% percent in late 1990s.
- > Agricultural in electricity consumption – from being as low as 4% in overall energy consumption to being 30% in recent years .

Story of agriculture (Area, Output & Yield)

- Before green revolution period, agricultural growth was lead mainly by area expansion which lead to output growth of 3.1 for all crops .
- After the green revolution , source of growth changed from area expansion to yield growth .
- Yield was highest in 1980s around 2.5 then it declined to 1.3 in 1990s thereafter again yield improved but remained less than 80s level.
- In general output & yield growth was higher for non food crops compare to food crops .

Regional disparity

- In the initial phase of green revolution some states like Punjab , Haryana, Western UP , parts of Andhra Pradesh and Tamil Nadu benefited more .
- This led to increase in disparities . But afterwards in the 1980s , growth was widespread across crops and regions .
- Many states who lagged earlier like Assam , Bihar , Orissa , MP & Bengal showed significant improvement in 80s .
- Oilseeds production also went up in dry belt of Rajasthan , Madhya Pradesh , Karnataka and Maharashtra.

Disparity in crops

- Among the cereal crops wheat has recorded highest and accelerated rates of yield increment compare to other coarse cereals and pulses.
- Increased commercialization of agriculture started significantly in 1980s .Both food and non food grains recorded the highest growth rate in output as well as in yields in the 1980s. In the 1990s growth rate decelerated for both.
- There were two revolutions in the last decade in the form of BT cotton and hybrid maize because of which production increased significantly in these two crops.

Post reform developments

- Post reform there is a discernible shift in resource usage in agricultural favouring non cereal items on account of these items being more labour intensive and best suited for small holdings also providing higher wages to sections engaged in this .
- This is because of the higher demand of non cereals items from both domestic and export markets as per changing lifestyle and food habits .
- Apart from revolution in BT cotton and hybrid maize other positive development in agriculture hints toward high value production and improvement in performance of poorer regions like Bihar .
- From 2001-08 , agricultural growth in Gujarat was 9 percent per annum.