Cross Current International Journal of Economics, Management and Media Studies
Abbreviated Key Title: Cross Current Int J Econ Manag Media Stud
ISSN: 2663-2462 (Print) & Open Access
DOI: 10.36344/ccijemms.2020.v02i10.002

Volume-2 | Issue-10|December, 2020 |

Review Article

Performance of Agriculture and It's Allied Sectors - Ways for Doubling the Farmer's Income

Dr. Mohammad Khwaja Moinoddin*
Head & Professor Dept. of Business Administration SRM Group of Institutions Karimnagar, Telangana, India
***Corresponding author:** Dr. Mohammad Khwaja Moinoddin

| **Received:** 25.11.2020 | **Accepted:** 10.12.2020 | **Published:** 16.12.2020 |

Abstract: Doubling Farmers income by the year 2022 is most key challenge in front of government and policy makers. Government of India has taken it in mission mode. India's determined pursuit of agricultural self-sufficiency since independence has led the country to have a high growth agricultural sector today. Despite this, India's farmers are not in a position to farming too well and only a third of all agriculture firms enjoyed profit in recent period. The government recent shift in approach by introducing the vision of doubling farmer incomes is good attempt to transform the Agriculture sector. In this paper an attempt was made to highlight the GVA, GCF, production, productivity and yield on various crops in recent years and also, discussed the various strategies to improve the economic position of farmers.
Keywords: Government, Independence, Agriculture, Income, Economic position.

INTRODUCTION

Agriculture plays a Key role in our Indian economy. It is an important segment of India's economy. It is among the top two farm producers in the globe. Nearly, 70 percent of the rural families directly or indirectly depend on it for their livelihood. Agriculture sector contributes around 17 percentage of total GDP; it can also create the employment opportunities to over 60 percent of the Indian population. The GVA of Agriculture and its allied sectors in the year 2019-20 is around 16.5%. With the dual aim of India becoming a USD 5 trillion economies by 2024-25 and also, doubling the farmer's income by 2022-23, this sector needs to perform even better in coming period.

OBJECTIVE OF THE STUDY

The primary purpose of conducting this study is to present the performance of Agriculture and its allied sectors in terms of production, productivity, GVA and yield, in recent years and at the same time to present the strategies to improve the income level of the Indian farmer in coming period.

ANALYSIS

Table-1: GVA of Agriculture and Allied Sectors & its Percentage share

Items	Years					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
GVA in Agriculture & Allied Sectors	20,93,612	22,27,533	24,96,358	26,70,147	27,75,852	30,47,187
Percentage to Total GVA	18.2	17.7	17.9	17.2	16.1	16.5

Source: Central statistics office, Ministry of statistics and programme implementation Govt.of India

From the above table, it was understood that there was a continuous decrease in the GVA of agriculture and its allied sectors during the 2014-15 and 2019-20. The total GVA of Agriculture registered as 18.2% in 2014-15 and declined to 16.5% in 2019-20.We can expect such type of fluctuations in a fast developing and structurally volatile economy.

Quick Response Code
Journal homepage:
http://crosscurrentpublisher.com/ccemms/

Table-2: Growth in the total GVA of Agriculture and Allied Sectors

Years	Total Economy	Agriculture & Allied sectors	Crops	Live Stock	Forestry Logging	Fishing
2014-15	7.2	-0.2	-3.7	7.4	1.9	7.5
2015-16	8.0	0.6	-2.9	7.5	1.7	9.7
2016-17	7.9	6.3	5.0	9.9	1.4	10.0
2017-18	6.9	5.0	3.8	7.0	2.1	11.9
2018-19	6.6	2.9				
2019-20	4.9	2.8				

Source: Central statistics office, Ministry of statistics and programme implementation Govt.of India

The above statistics stating that the growth of Agriculture and allied sectors was stood as -0.2% in the year 2014-15 , 0.6% in 2015-16 and 2.9% in 2018-19 at 2011-12 basic prices. The growth percentage in all the sectors was fluctuated in the study period.

Table-3: Gross Capital Formation (GCF) in Agriculture and Allied Sectors relative to GVA at 2011-12 basic prices

Years	GCF of Agriculture & Allied sector (Rs.crore)	GVA of Agriculture &Allied sector (Rs.crore)	GCF of Agriculture & Allied sector as percentage of GVA
2013-14	2,84,424	16,09,198	17.7
2014-15	2,72,663	16,05,715	17.0
2015-16	2,37,648	16,16,146	14.7
2016-17	2,67,836	17,17,467	15.6
2017-18	2,73,755	18,03,039	15.2

Source: Central statistics office, Ministry of statistics and programme implementation Govt.of India

If we observe the above table (GCF), we can understand that the Gross Capital Formation (GCF) in Agriculture and related sectors in the five years was fluctuated, whereas the GVA continuously increased from the year 2013-14 to 2017-18. However, the GCF of said segments became volatile during the reference period i.e. 17.7 in 2013-14 and 15.2 % in 2017-18.

Table-4: Area, Production and Yield of Major crops

Crops	Area- (Lakh. Hectors)			Production (Million Tones)			Yield (Kg/ Hectare)		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Rice	439.9	437.7	437.9	109.7	112.8	116.4	2494	2576	2659
Wheat	307.9	296.5	291.4	98.5	99.9	102.2	3200	3368	3507
Nutri/ coarse cereals	250.1	242.9	219.8	43.8	47.0	42.9	1750	1934	1954
Pulses	294.5	298.1	290.3	23.1	25.4	23.4	786	853	806
Food grains	1292.3	1275.2	1239.4	275.1	285.0	284.9	2129	2235	2299
Oil seeds	261.8	245.1	255.0	31.3	31.5	32.3	1195	1284	1265
Sugar cane	44.4	47.4	51.1	306.1	379.9	400.2	69001	80198	78248
Cotton	108.3	125.9	126.6	32.6	32.8	28.7	512	443	386
Jute & Mesta	7.6	7.4	7.3	10.9	10.0	9.8	2585	2435	2403

Source: Directorate of economics and statistics, Dept of Agriculture, Co- operation and Farmers welfare

The above statement showing the Area used for various crops during 2016 to 2019 and total production of each crop and yield generated on each crop. The production of Nutri cereals, pulses, food grains, and cotton and jute crops declined slightly in the year 2018-19. Whereas the production of other crops have been increased in reference period. The yield of pulses, oil seeds, sugar cane, cotton and jute Mesta has come down in the year 2018-19.

Table-5: Production in Kharif 2019-20 and 2018-19

Crop	2019-20 (1st Advance Estimates)	Average (2013-1 to 2017-18)	Absolute Difference (2019-20 over Average)	Percentage Increase/ Decrease +/- in 19-20 over average
Grains	140.57	132.13	8.44	6.39
Oil seeds	22.39	20.22	2.17	10.76
Sugar Cane	377.77	349.78	27.99	8.00
Cotton	32.77	33.22	-0.95	-2.87
Jute & mesta	9.96	10.87	-0.91	-8.38

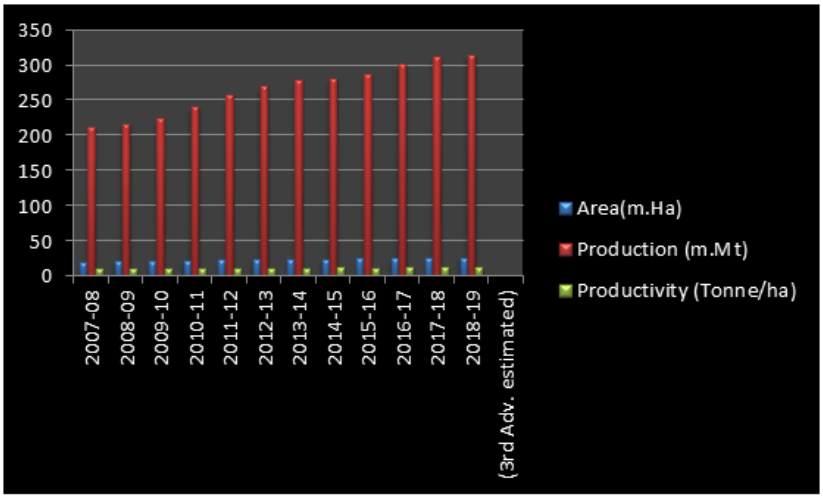
Source: Directorate of economics and statistics, Dept of Agriculture, Co- operation and Farmers welfare

As per the first advance prediction for the year 2019-20 (Kharif only) total production of food grain in our country is forecasted at 140.57 million tons. In the year 2019-20, the production is higher by 8.44 million tons than the average food grain production of previous 5 years (2013-14 to 2017-18). The production of oil seeds in 2019-20 is higher by 2.17 million tons compared to average oil seeds of last 5 years. The same result (i.e. production in current year more than average of last 5 years) reflected in the crops like sugar cane, cotton and jute.

Table-6: Area, Production and Productivity of Horticulture crops

Years	Area(m.Ha)	Production (m.Mt)	Productivity (Tonne/ha)
2007-08	20.20	211.23	10.45
2008-09	20.66	214.72	10.39
2009-10	20.88	223.01	10.69
2010-11	21.83	240.53	11.02
2011-12	23.24	257.28	11.07
2012-13	23.69	268.85	11.35
2013-14	24.20	277.35	11.46
2014-15	23.41	280.99	12.00
2015-16	24.47	286.19	11.69
2016-17	24.85	300.64	12.10
2017-18	25.43	311.71	12.26
2018-19 (3rd Adv. estimated)	25.49	313.85	12.31

Source: Directorate of economics and statistics, Dept of Agriculture, co- operation and Farmers welfare



Picture – 1

If we observe the above analysis, it is cleared, that the area used for horticulture crops and productivity has been increased in all the 12 years of the study. It means the farmers found that the profitability on this segment is more than the other Agricultural related crops.

Sources of growth in farmer's income

- **Increase in agricultural Productivity**

The productivity of the Agriculture can be increased by enhancing the access to irrigation and modernized technology etc. In addition, the Agri. output has to be increased through the increase in productivity per unit of land.

- **Improvement of Total factor Productivity**

By enhancing the productivity of the production factors, one can easily succeed in cost reduction, which directly contributes in increase of income. This TFP growth will be attained by the technological change, skill, infrastructure etc.

- **Increase in Crop Intensity**

With the availability of irrigation and advanced technology, it is possible to go for short-term crops immediately after main kharif and Rabi season. The Intensity rate increased by 0.7% after 2001, which resulted in increase in farmer's income by 3.4% during last seven years and 4.9 % in 10 years.

- **Shifting cultivators to non –farm and subsidiary activities**

In rural areas, agriculture sector engages 64% of the total work force and contributes 39 percent of total rural net domestic product. It shows over dependence of people on only one segment i.e. agriculture. So that non – farm segments 2.76 times more productive employment than Agri sector especially in remote areas. Income of farmers may be improved by diversifying the workforce from agriculture to other sectors.

In addition to above, we can easily enhance the income of farmers by introducing the various schemes related to increase of water efficiency through PMKSY (Pradhan Mantri Krishi Sinchayee Yojana), Insurance coverage for risk mitigation under PMFBY (Pradhan Mantri Fasal Bima Yojana) etc.

CONCLUSION

To increase the farmers income India also required to follow a higher value combination of farm output, capture higher value via good storage and processing and make market devices more efficient for Agri related inputs, financing and sale of finished output. By this, we can forecast roughly 175 billion of Agricultural GDP and increase of farmer's income by 85 % by 2025.

REFERENCES

1. www.agricoop.nic.in
2. https://icar.org.in
3. https://m.economictimes.com
4. www.financialexpress.com
5. https://www.mckinsey.com
6. https://niti.gov.in
7. https://pib.gov.in