Changing Role of Agricultural Sector in India

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Abstract:

The agricultural sector has traditionally been the backbone of the Indian economy, contributing significantly to GDP, employment, and food security. However, over the years, its role has evolved due to structural changes, technological advancements, policy reforms, and globalization. This paper explores the transformation of agriculture from a subsistence-oriented sector to a more market-driven and diversified one. It analyses the factors influencing these changes and their socio-economic implications, including the shift towards agribusiness, rural-urban migration, and environmental concerns.

Keywords:

Agriculture, India, economic transformation, agribusiness, rural development, food security, sustainability

Introduction:

Agriculture has been the backbone of India's economy, playing a pivotal role in economic and social development. In the 1950s, it contributed over 50% to GDP and employed more than two-thirds of the workforce. However, its share in GDP has significantly declined to around 18% today, even though it still employs 42% of the population. This trend reflects India's economic diversification and structural transformation. The declining GDP share highlights the need to boost agricultural productivity while creating alternative livelihoods for rural populations. Understanding this evolving role involves examining agriculture's integration with industries like food processing and services, its impact on rural development, and urban migration patterns. Addressing these challenges is crucial for sustainable economic growth and improving the rural-urban socio-economic balance.

Objectives of the study:

1. To analyse the historical significance and contribution of agriculture to India's economy.
2. To identify the factors driving the transformation of the agricultural sector.
3. To assess the socio-economic implications of these changes on rural livelihoods and urbanization.
4. To explore future opportunities and challenges for sustainable agricultural growth in India.

Research Methodology:

The study employs a mixed-methods approach, combining quantitative and qualitative techniques: Secondary data used from government reports, policy documents, and research studies. In this study used statistical tools for trend analysis and SWOT analysis.

Review of Literature:

- **Green Revolution (1960s-1980s):**

  The Green Revolution introduced high-yield variety seeds, fertilizers, and advanced irrigation, significantly boosting India's food grain production. It ensured food security and reduced famine risks but created regional disparities in agricultural development. Environmental concerns like soil degradation and water overuse emerged as long-term challenges.

- **Economic Reforms (1991 onwards):**

  Post-1991 reforms opened Indian agriculture to global markets, encouraging exports and private sector involvement. These changes diversified the sector and enhanced agribusiness opportunities but increased farmers' vulnerability to price fluctuations. Better infrastructure and policies are needed to protect farmers while leveraging liberalization.

- **Technology Adoption:**

  Digital tools, precision farming, and mechanization have modernized Indian agriculture, improving efficiency and productivity. GPS, drones, and mobile apps help optimize resource use and decision-making. However, small farmers

face barriers to accessing these technologies due to high costs and lack of awareness.

- **Sustainability:**

  Intensive farming has caused environmental issues like soil erosion, water depletion, and climate impact, necessitating sustainable practices. Eco-friendly methods like organic farming and renewable energy in agriculture are gaining traction. Balancing productivity with environmental preservation is key to long-term agricultural growth.

Analysis of Changing Role:

1. Economic Contribution

- **Declining Share in GDP:** From over 50% in the 1950s to around 18% in 2023.
- **Sectoral Linkages:** Increased integration with manufacturing and services, particularly through agribusiness and food processing.

2. Employment Trends

- Shift from agriculture to non-farm employment, reflecting structural transformation.
- Rise in migration to urban areas, impacting rural labour availability.

3. Technological Advancements

- Adoption of ICT tools for market linkages and supply chain management.
- Precision agriculture and mechanization reducing labour dependency.

4. Policy Interventions

- Initiatives like PM-KISAN, eNAM, and Agriculture Infrastructure Fund promoting modernization and market access.
- Focus on doubling farmers' income and promoting sustainable practices.

5. Environmental Challenges

- Overuse of groundwater and chemical inputs leading to resource degradation.
- Climate change impacts on crop yields and productivity.

6. Socio-economic Implications

- Enhanced rural incomes through diversification into horticulture, animal husbandry, and agribusiness.
- Challenges of small landholdings and access to credit for marginal farmers.

Conclusion:

The agricultural sector in India has undergone significant transformation, shifting from a subsistence economy to a dynamic contributor to national growth. While its share in GDP has declined, its importance in ensuring food security, generating employment, and fostering rural development remains critical. The sector's future lies in adopting sustainable practices, leveraging technology, and strengthening linkages with manufacturing and services. Policymakers must address challenges such as environmental sustainability, rural-urban disparities, and inclusivity in growth.

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