



Foodgrains production rose from 52 million tones in 1951-52 to 244.78 million tones in 2010-11. The share of agriculture in real GDP has fallen given its lower growth rate relative to industry and services. However, what is of concern is that growth in the agricultural sector has quite often fallen short of the plan targets. During the period 1960-61 to 2011-12, foodgrains production grew at a compounded annual growth rate (CAGR) of around 2 percent.

Agriculture sector during the Current Five Year Plan (2007-2012)

The average annual growth in agriculture and allied sectors realized during the first four years of the Eleventh Plan Period, i.e. 2007-08 to 2010 -11, is 3.5 percent as against the targeted growth rate of 4 per cent. Agriculture and allied sectors recorded slightly lower average growth than targeted in the Eleventh Plan period due to severe drought experienced in most parts of the country during 2009-10 and drought / deficient rainfall in some states, namely Bihar, Jharkhand, eastern UP and West Bengal in 2010-11. However, timely and corrective measures taken by the government helped boost agricultural production and growth in agriculture and allied sectors reached 7.0 per cent in 2010-11, the highest growth rate achieved during the last six years.

Agriculture and allied sectors have made substantial process in terms of production and productivity since the beginning of the Planning process. The successive Five Year plans have emphasized growth in the agriculture sector, as a result of which foodgrains production reached a record level of 244.78 million tones in 2010-11. However, the challenges are far from

over. Agricultural growth in the current Five Year Plan is expected to be less than the target. A number of supply – side constraints exist and thereby achieving the food and nutritional security is a challenge. In order to make 4 per cent agricultural growth a reality, adequate efforts are required to focus on the challenges in this sector.

Crisis of Indian Agriculture

The agricultural sector in India is facing a crisis today. The globalization process, which started in the 1990s, is the main reason for this crisis. The solution of the problem is not in a few “packages” but in drastic changes in the present economic policies related to agriculture. For this, the government should be ready to take bold steps. Farmers, agricultural labourers and people’s organizations in civil society should work collectively to assist and persuade the government to make the necessary changes. It is high time that the government and the people realised that India can become a real “superpower” only when the vast majority of the people, especially the farmers in the rural areas, become prosperous and are really empowered. The words of Dr M.S. Swaminathan are relevant here: “In a country where 60 percent of people depend on agriculture for their livelihood, it is better to become an agricultural force based on food security rather than a nuclear force.”

India is an agricultural country and its 70 percent population are staying in rural area. The co-operatives which are the life blood of the Indian economy and mechanism for any development programs. Especially in agriculture dominated rural sector co-operative banks play a pivotal role in bolstering the common individual and financing his



business and personal needs The Primary Agricultural Co-operative Banks came in to being after the enactment of the Co-operative credit societies Act in 1904.

Co-operative banks belong to the oldest form of the collective action in India playing essential role in the realization of the agricultural and in local development. They serve both rural and urban population and are main banks in Tamil Nadu supporting development of agricultural and rural areas. Most of PACCSs have capitalized opportunities better and fared well. However PACCS form an important part of the short term credit structure. PACCSs directly interface with individual farmers, provide short term and medium term credit most of the PACCSs are facing overdue problems. It is essential on the part of PACCSs to take appropriate step to improve their recovery performance. PACCSs should change their loan policies on the basis of the crop loan system. Agriculture plays an important role in the process of economic development of India. Besides providing food to the nation, agriculture releases labour, provides savings, contributes to market of industrial goods and earns foreign exchange. However, agriculture was the main contribution to the National Income at the time of Independence of India.

Sustainable agriculture

Food security, nutritional security, sustainability and profitability are the main focus of present and future agricultural development. Fertilizers have played a prominent role increasing food grain production of the country. About 50 per cent increase in agricultural production in post green revolution era (After 1970) is attributed to the use of

fertilizers. The use of chemical fertilizers would remain the mainstay of agricultural production in future as well, given the increasing food demands of growing population and insufficient of food availability to feed around 1.4 billion populations.

Most of soils contain nutrients that are required by plants but the quantity and availability of such nutrients will vary with different soils depending upon their origin, composition and percent use. The sufficiency of such nutrient stocks for crop production will depend upon the crop species and targeted output of the economic produce of that crop. So, the farmer has to find out how much of nutrients could be supplied by his farm soil for the crop to be grown by him and then determine how much he has to additionally supplement. The reasons for declining soil fertility are decline in the organic manure content in the soil and use of imbalanced fertilizers and not practicing the integrated use of organic, bio-fertilizer along with inorganic fertilizers. Soils of India are generally poor in fertility as these are low in organic matter and have consistently been depleted of their nutrient resource due to continuous cultivation after introducing the high yielding and high nutrient demanding crop varieties. The organic matter content of soils has drastically reduced on an average from 1.2% to 0.68% from 1970 to 2000. The low and declining soil fertility are the main causes of low productivity of most of the cultivated lands.

Globalization and agriculture: The term 'globalization' means integration of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people. To realize the



expected gains from trade liberalization, apart from improvement in infrastructure, Indian agriculture would need to become more competitive. The recent deceleration of growth in Indian agriculture both in production as well as in crop productivity has however been a cause of worry. Unless this trend is reversed, India may not be able to take on the opportunities that may be made available to it in the wake of globalization. Reversal of this trend would however require action on a number of fronts the most important being reversing the trend of declining public investment in agriculture and extending the coverage of irrigation to a much larger cultivated area.

Agriculture Growth Rate in India's GDP: India is the second fastest growing economy in the world. The growth rate of India's GDP is 6.8 percent

in 2009-10. Agriculture, including crop and animal husbandary, fisheries, forestry and agro processing provides significant support for economic growth and social transformation of the country. As one of the world's largest agrarian economies, the agriculture sector in India accounted for 13.9 per cent of the GDP in 2011-12, compared to 24.7 per cent in 2000-01. The shares of agriculture in the India's GDP are given in Table – 1.

The agricultural sector has always been an important contributor to India's GDP. The agricultural sector contributed around 17.8 per cent to India's GDP in 2007-08. In the early 1950s, more than half of India's GDP came from the agricultural sector. By 2009-10, that contribution was halved again to about 15 per cent only. The share of Agriculture and Allied Sectors in GDP is estimated to be 13.9% in 2011-12.

Table – 1: Share of agricultural output in India's GDP

Year	1950-51	1970-71	1984-85	1990-91	2000-01	2005-06
% Share in GDP	56.5	45.9	35.2	34.0	24.7	19.6
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	18.5	17.8	15.7	14.7	14.5	13.9

Summary and conclusion

Indian gained highly from the LPG model as its GDP increased to 9.7 per cent in 2007 – 2008. In respect of market capitalization, India ranks fourth in the world. But even after globalization, the condition of agriculture has not improved. The share of agriculture in the GDP is only 14 per cent. The number of landless families has increased and farmers are still committing suicide. But

seeing the positive effects of globalization, receiving the international market for the agricultural goods of India, there is need for an increase in farmer's agricultural products, new technology, new seeds etc. that help to grow the agricultural products, and it can be said that very soon India will overcome these hurdles too and march strongly on its path of development.



India is a much affected country in terms of socio – economic status since independence. We can observe the Chinese economy and their efforts for growth of agriculture sector. The Chinese government has recognized that agricultural growth is necessary but not sufficient for alleviating poverty. The country has given much importance for agricultural growth, rural non-farm employment, public investment and human development, infrastructure, literacy and credit access are favourable inputs to develop the rural areas. The Central and State governments would do well to take special care to revitalize the agricultural sector and try to improve the growth rate and its share to the GDP through different favorable policies and programmes.

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