



AGRICULTURE AND ECONOMIC DEVELOPMENT

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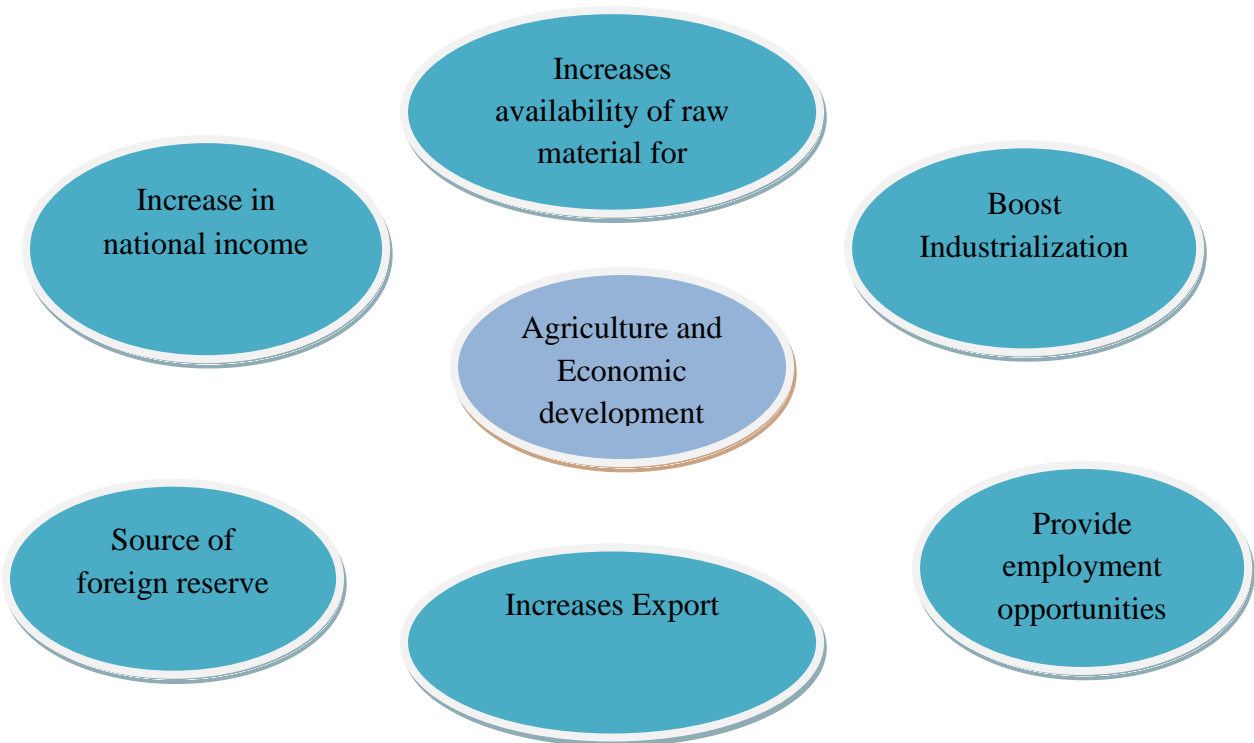
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Abstract

Agriculture sector of any world economy plays a very crucial and significant role in economic development. In other word, we can say that agriculture sector is the backbone of any country’s economy without which no country can survive. In a developing country like India, this sector becomes even more important. India is developing country with a huge population. Three fourth or we can say major part of population of developing country like India earns their livelihood through farming. The role of agriculture sector is very significant. we can put some examples of this like it Boosts employment in the economy by providing the jobs to the skilled, unskilled and below poverty line manpower, Improves the way of living of rural communities by increasing their per capital income. It increases the GDP rate of the countries also Boosts the Export of many agriculture products as a result there is an increase in the foreign reserve of the government. It is one of the most important sources of raw material for many industries, which indirectly boosts industrialization in the economy & so on. For many decades, agriculture sector is one of the medium to remove the poverty from any country’s economy because this sector has the capacity to multiply the income. According to report agriculture sector will provide food to people around 9.7 Billion until 2050. All and all we can say agriculture sector is very important to economy whether economy at international level or at national level. In 2018, agriculture sector holds 25% part of GDP of many developing countries on the other hand it holds 4% part of GDP at global level. This sector also provides the linkage between the non-agriculture and agriculture sector. Many countries had become developed countries due to this sector and now many developing countries are on the same path.

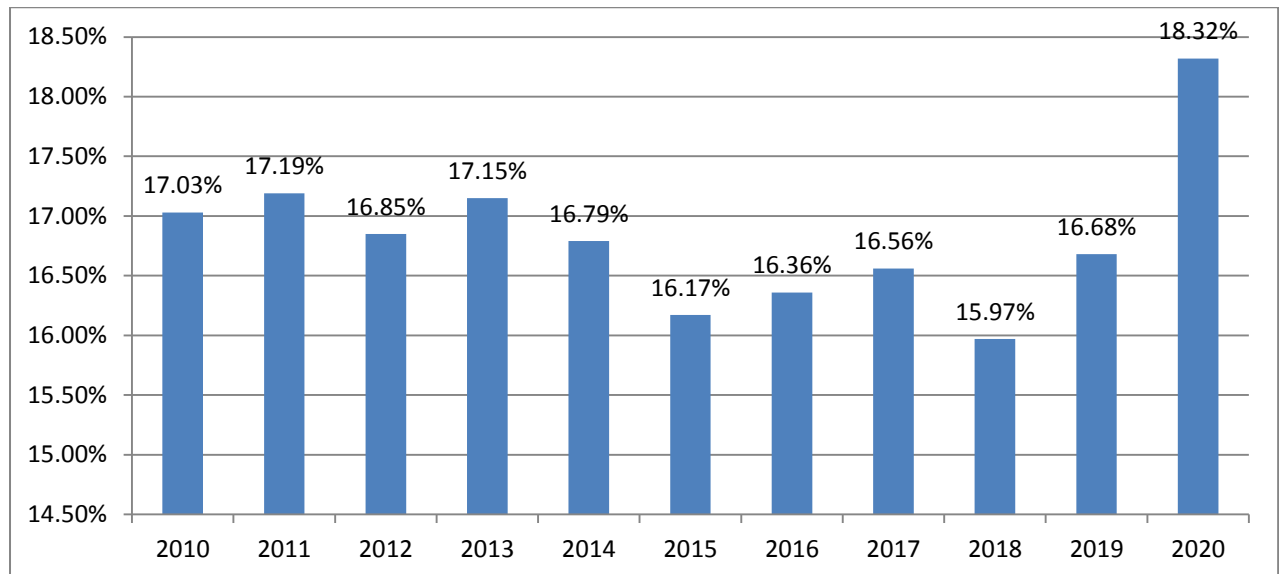
Key words: Agriculture sector, Developing country, Economic development, Population



Contribution of Agriculture in GDP of India

Agriculture sector has the huge contribution in the GDP of India and hence it promotes economic development. According to economic

survey of 2020-2021, there is around 20% contribution of agriculture sector in GDP of this year despite of the pandemic and this mark has achieved almost after 17 years.



Source: https://www.theglobaleconomy.com/India/Share_of_agriculture/

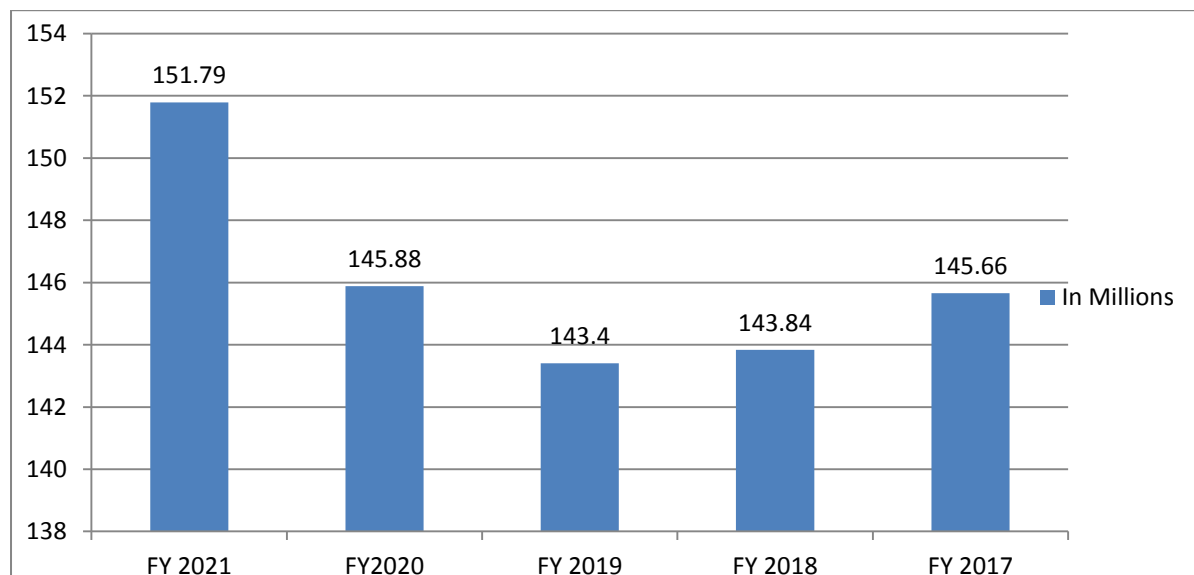
Promote equality

Agriculture sector helps in removing inequality from the economy. In a developing country like India a huge percentage of people of rural area are engaged in agriculture sector. Agriculture sector is the main source of income for the rural sector people. Therefore, whenever there is increase in the production of agriculture products there income automatically increases. With increase income their standard of living, education level also improves. In short, in order to promote equality there is a need to expand

agriculture. This sector encourages the economic development by reducing the difference of incomes rural and urban people.

Generation of employment

Agriculture sector is the main provider of employment opportunity in India. The major part of population of India is engaged in agriculture production. This sector is the main source of employment for the people from rural background and thus helps in reduction of unemployment problem.



Source: <https://www.statista.com > Economy & Politics > Economy>

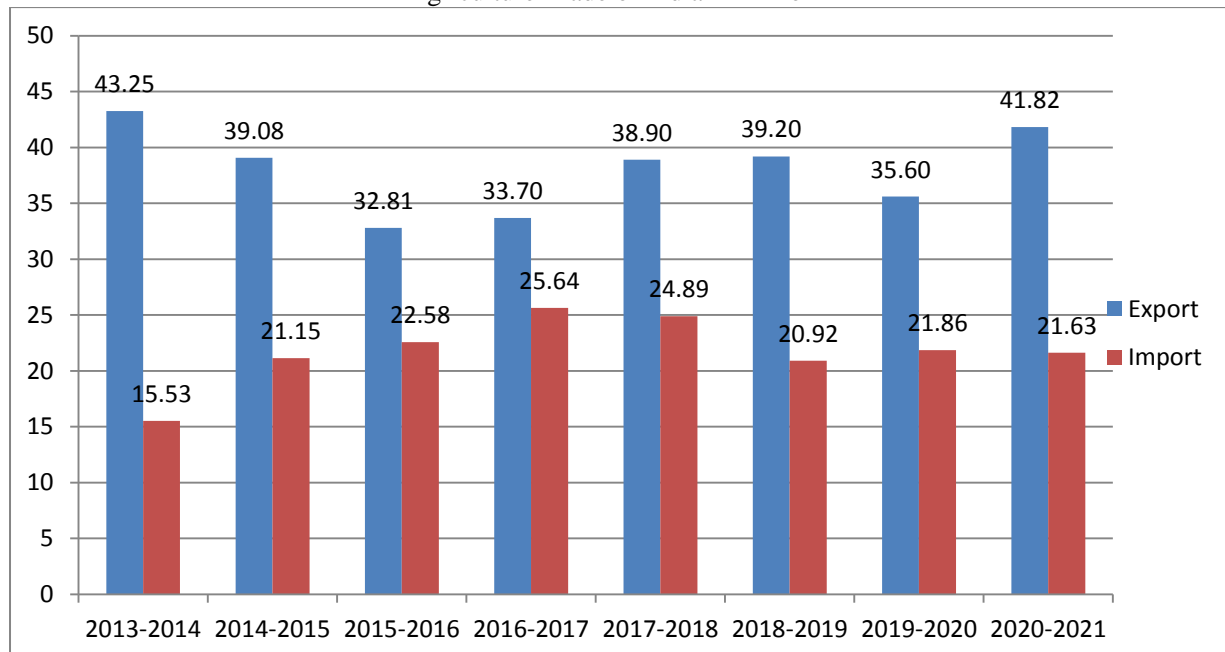
Provide supply of food product:

Population of world is rapidly increasing so as the demand for food products. Demand for food products is increasing throughout the world. The increasing demand can be met only with the help of more production of agricultural products or through increasing its imports. India is a developing country with greater number of population so this sector even becomes more important. Only with the help of this sector food requirement of every country can be satisfied. If this cannot be satisfied in full it can become a hurdle in the economic development.

Increases Exports

Agriculture export of India is rapidly increasing. Agriculture export of India raises from 17.5% to cross dollar 41.8 billion in 2020-2021. India's agriculture sector performance stand out despite the covid-19 pandemic. This sector slowly becoming the generator of foreign exchange reserve for India. With the help of this expenses related to production of agriculture product can be met as well as further expansion cost can also be covered.

Agriculture Trade of India in Billion



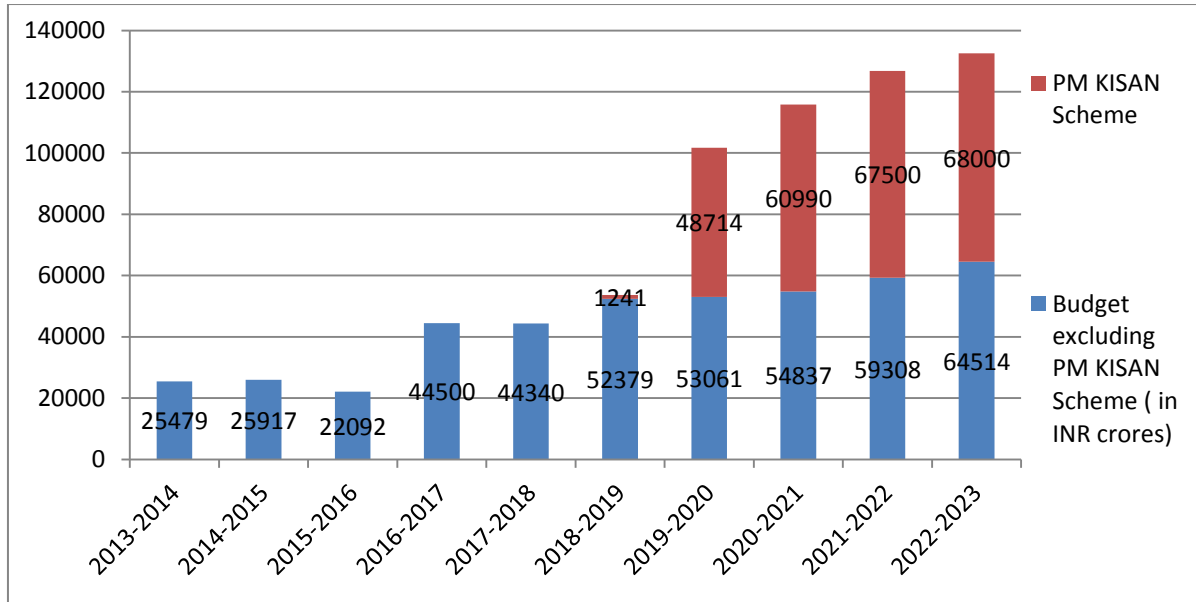
Source: Department of commerce

Provider of raw material: Agriculture sector also becomes very important as it is the main provider of raw material to various agro-based industries. On one hand economic development of a country depends on the growth of the industries on the other hand growth of the industries based on good supply of raw material. So the growth of the industries can be badly impacted if there is a poor supply of agriculture goods. Ultimately it leads no economic development. So there is a need to give proper priority to agriculture sector for a good economic development.

Development of Infrastructure: The growth or expansion of agriculture sector automatically

leads to the development of the infrastructure facility like: railway facility, good transportation system, proper roads and storage facility. All these improvements directly leads to the economic development.

Budget allocated for agriculture sector: To double the earning of farmer of India by 2022, this sector has been given the top most priority in all the policies of government of India. Budget has been increased for agriculture and allied sector by ministry of agriculture and farmer welfare, government of India in 2017-2018 from rs.46361 crore to rs.135854 crore in 2021-2022. This can be seen from the figure given below

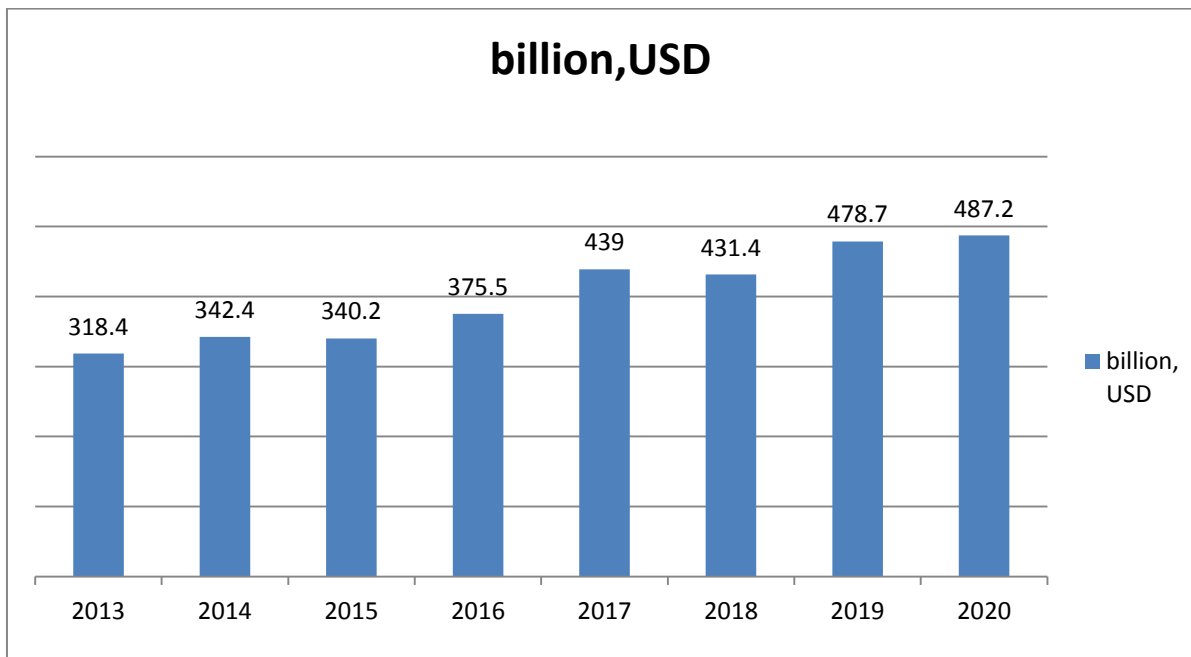


Source: <https://www.businessworld.in/article/Unpacking-The-Budget-For-The-Agricultural-Sector-/07-03-2022-422204/>

Agriculture value added

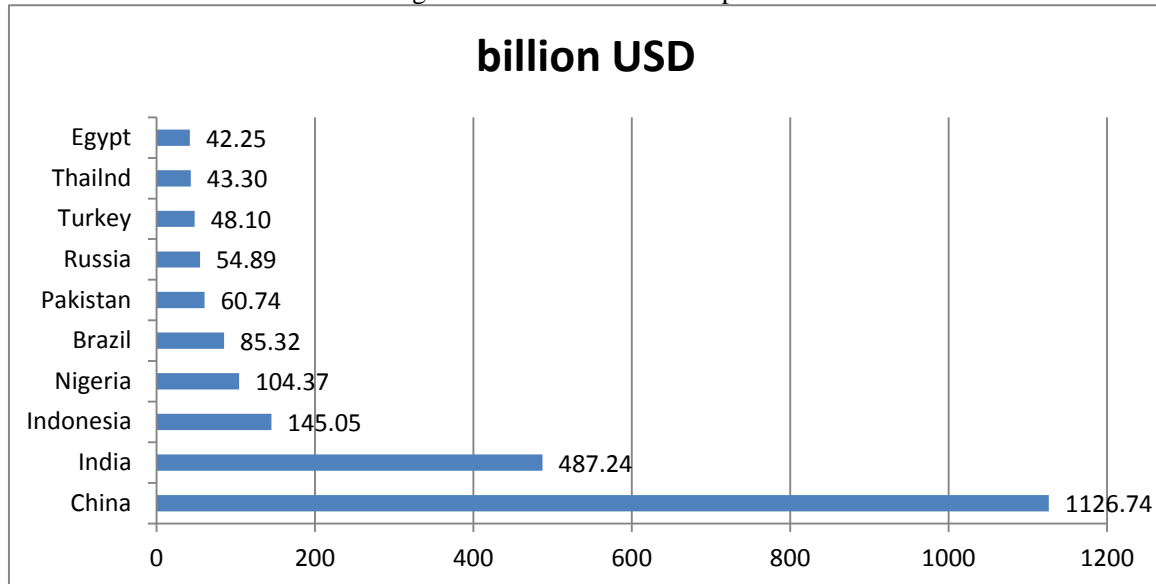
Agriculture value added means net output added by the fishing, forestry and livestock production

and hunting. It includes output from the agriculture sector excluding intermediate output. Data on agriculture value added of india



Source: <https://www.theglobaleconomy.com>

Data on agriculture value added of top 10 countries



Source: <https://www.theglobaleconomy.com>

Conclusion

The most significant sector for an Indian economy is the agriculture sector. Both agriculture and economic development are dependent on each other. A major portion of the population, survives based on this sector. More than 50% populations in India are working as a farmer and thus become a source of food for nearer 135 cr. people. Any growth in the agriculture sector ultimately leads to the boost in the economic development. Industrial manufactures obtain the raw material for manufacturing the final product from this sector so on one hand it boost industrialization, on the other hand it leads development of the economy. Agriculture sector is the source of Employment to backward and unskilled or semi- skilled workforce. It earns foreign exchange reserve for the Indian government through export of agriculture produce. Indian earns around 12% of their export through the agriculture sector alone. By seeing all this advantage of this sector, government of India should take some serious steps to remove the loopholes from the agriculture sector. Removing loopholes like poor

technology to undertake agriculture activities, no proper funding, & so on. In conclusion, we can say that growth of agriculture sector is very precious for the economic development of a country.

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