



“Education for Knowledge, Science & Culture”

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VIVEKANAND COLLEGE, KOLHAPUR (AUTONOMOUS)

Department of Economics

Topic: **Agriculture In India**

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Changing Role of Agriculture in Indian Economy

Contribution to National Income

Source of Livelihood

Source of food supply

Role of Agriculture for Industrial Development

Commercial Importance

Source of Government Revenue

Role of Agriculture in Economic Planning

Facilitating inter-sectoral transfers of capital needed

Foreign Exchange

3.2 Causes of Low Agricultural Productivity

1. Population Pressure
2. Uneconomic Holdings
3. Uncertain Monsoons and Inadequate Irrigation Facilities
4. Subsistence Nature of **Farming**
5. Decline in Soil Fertility
6. Lack of Support Services
7. Poor Organisation of Resources and Lack of Entrepreneurship

Population Pressure

PRESSURE ON LAND

- (i) India faces most acute pressure agricultural land.
- (ii) Today every million hectares of land supports 7.27 million people land.
- (iii) 43% of land in India is under cultivation , one of the highest in this world.
- (iv) Over the past fifty years while Indian's population increased about 3 times, the total area of land under cultivation increased by only 20.27%.
- (v) Most of the expansion has taken place at the expense of forest & grazing land.



Uneconomic Holdings

- 85.01% operational **land holdings** in **India** are marginal **holdings** (below 2.00 ha). There are 14.29% semi-medium and 3.7% large **holdings**.

Uncertain Monsoons and Inadequate Irrigation Facilities

- With around 55% of **India's** arable land **dependent** on precipitation, the amount of rainfall during the current **monsoon** season could sway economic activity in the **agriculture** sector and industries linked to it

Subsistence Nature of **Farming**

- This **type of farming** is practised to meet the needs of the farmer's family. Traditionally, low levels of technology and household labour are used to produce on small output. **Subsistence farming** can be further classified as intensive **subsistence** and primitive **subsistence farming**.

Decline in Soil Fertility

- **Soil fertility** is the ability of a **soil** to sustain plant growth, by providing essential plant **nutrients** and favorable chemical, physical, and biological characteristics as a habitat for plant growth.

Lack of Support Services

- an **agricultural service** occurs when a firm provides soil preparation **services** for a farming enterprise, when a company performs crop planting, cultivating and harvesting **services**, when a veterinary provides **services** for livestock etc.

Poor Organisation of Resources and Lack of Entrepreneurship

- **Agricultural resources** means the land and on-farm buildings, equipment, manure processing and handling facilities and processing which contribute to the production, preparation and marketing of crops, livestock and livestock products as a commercial enterprise, including a commercial horse

Need of Agricultural Finance and Financial Institutions

- **i) On the basis of time**
 1. Short
 2. Medium
 3. Long
- **ii) On the basis of purpose.**
 1. Productive
 2. Consumption needs and;
 3. Unproductive.

Problems faced in Marketing Agricultural Goods

- Low marketable surplus of **Agricultural** goods. The number of small and marginal farmers is more in India.
- Producer does not determine the price. ...
- Lack of storage. ...
- **Problems** in Transportation. ...
- Long chain of middlemen. ...
- Malpractices in the **market**. ...
- Lack of **Market** Information. ...
- Inelastic demand.
- Lack of grading
- Bulky nature