



ECONOMIC TRENDS IN AGRICULTURE SECTOR BEFORE AND AFTER GLOBALISATION

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Abstract:

Globalization means different things to different people. The concept of globalization comes from the word globalize, which means emergence of a world network of economic systems. It is the process of integration and transformation of the domestic economy with the world economy. It refers to the movement of capital investment from one country to another country. The country's economy is divided into three sectors i.e. Agriculture sector, Industry sector and Services sector. All three sectors have been played an important role in Indian economic growth and development. This paper tries to analysis the impact and economic trends in agriculture sector before and after globalization.

Key Words: Globalization, Agriculture, Industry, Services, Growth, Development and Economy.

Introduction

According to Deepak Nayyar, Globalization can be defined simply as an expansion of economic activities across political boundaries of nation states. The government of India has taken several measures to improve and sustain the growth of the economy. And globalization is the one of the measures has taken by the government in the year 1991. According to Oxford English Dictionary, the word "Globalization" was first employed in publication entitled 'Towards New education' in 1930, to denote a holistic view of human experience in education.

Globalization is the process of integration of the domestic economy with the world economy in trade, technology, and other services. It refers to the movement of capital investment from one country to another country. It is used to describe the impact of innovations in trade of goods and services, communications, and transport systems. The nations must reduce the high levels of protection between trading unions of countries and adopt globalization to liberalize their economies to increase their volume of trade, including trade in agricultural products. From an economic point of view, globalization happens through three channels such as (i) Trade in goods and services, (ii) Movement of capital, and (iii) Flow of Finance.

OBJECTIVES OF THE STUDY:

- ❖ To analyze the impact of globalization on Indian Agriculture Sector.
- ❖ To analyze the trends before and after globalization.

METHODOLOGY:

The present study is based on secondary data. Secondary data that would be collected with the help of appropriate and relevant information. Handbook of Indian Government for the period 1950 to 2024, Reports and Budget documents, different website, Articles and Research Papers published in National and International Journals like Journal of Public Choice, Journal of Development, Journal of Political Economy, Journal of Economic Studies, Economic and Political Weekly are to be referred authenticate the propositions.

TRENDS IN AGRICULTURE SECTOR

In the context of globalization, the advantages and disadvantages are often a matter of perspective. Globalization may provide some great advantages for the Indian economy. The impact of globalization on Indian economy sectors as follows.

1. Accessibility of Modern Technology

The availability of technologies in the production of herbicides, fertilizers, and high yield crops. These technologies improved crop varieties. And it will be helpful to increase agriculture production. Use of modern technology in production has brought about sustainable agriculture in Indian Agriculture which reduces the cost of inputs in long run.

2. Growth in Agriculture Productivity

Productivity in agriculture refers to the quantity of output per hectare or per labour. India has a good portion of its land under cultivation, yet its total production is far less in comparison to many other countries. Area-wise, all the crops have covered larger areas after globalization. The area under cultivation has increased. The following table shows appreciable increase in productivity between 1960 and 2023.

Gross Area Under Major Crops (Million Hectares)

Crop	1960-61	2013-14	2021-22
Rice	34.1	43.9	105.9
Wheat	12.9	31.3	110.8
Pulses	23.6	25.4	136.8
Oilseeds	13.8	28.2	110
Total	84.4	128.8	463.5

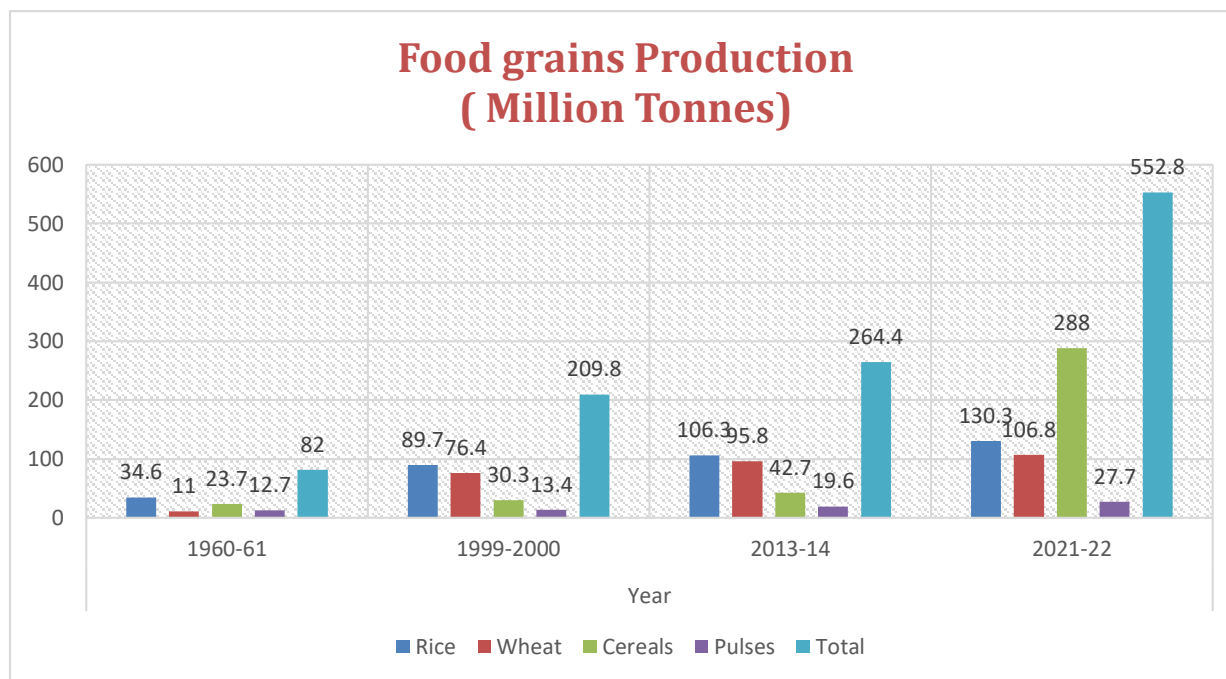
Source: Economic Survey 2022-23.

3. Increase in Food grains Production.

Agriculture Production refers to the total output of rice, wheat, pulses, oil, seeds, sugarcane, cotton, jute etc. The adoption of HYV technology the production of food grains increased considerably in the country. The total production increased from 82 million tons in 1960-61 to 209.8 million tons in 1999-2000 and its further increase 264.4 million tons in 2013-14. The total production increases more than 3 times since 1960. The following table shows the start of production before and after the globalization in the agriculture sector.

Food grains Production (Million Tonnes)				
	Year			
Items	1960-61	1999-2000	2013-14	2021-22
Rice	34.6	89.7	106.3	130.3
Wheat	11.0	76.4	95.8	106.8
Cereals	23.7	30.3	42.7	288.0
Pulses	12.7	13.4	19.6	27.7
Total	82.0	209.8	264.4	552.8

Source: Economic Survey 2022-23.

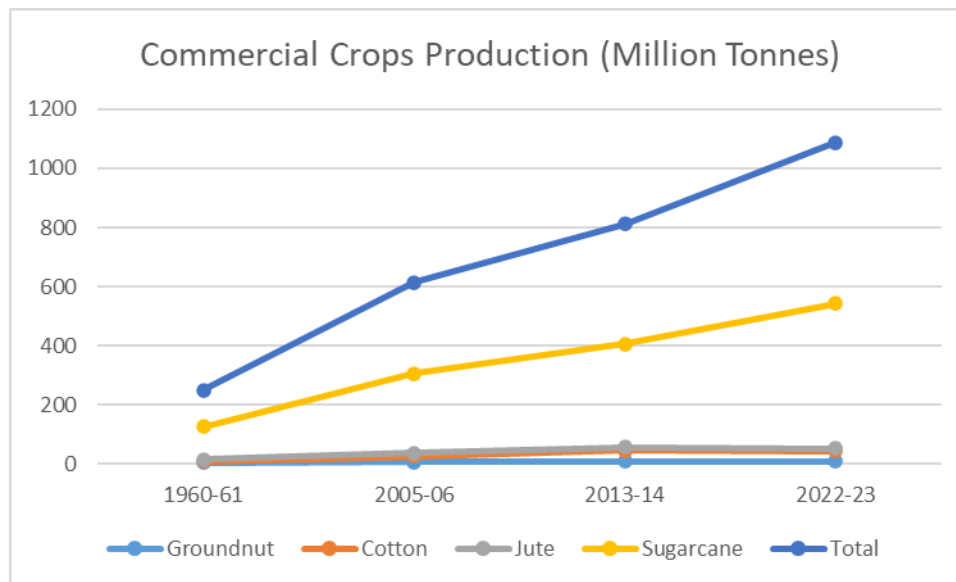


3. Increase in Commercial Crops

Commercial crops include Groundnut, Cotton, Jute, and Sugarcane. These items are part of the daily consumption. The trend in production of commercial crops has increased after the globalization. All the items in commercial crops have shown progress in their total output. Commercial crop production has increased by more than 300 percent after globalization. The following table shows that the stat of commercial crop production before and after the globalization in agriculture sector.

Commercial Crops Production (Million Tonnes)				
	Year			
Item	1960-61	2005-06	2013-14	2022-23
Groundnut	4.8	8.0	9.5	10.29
Cotton	5.6	18.5	36.5	33.66
Jute	5.3	10.8	11.4	9.39
Sugarcane	110.0	270.0	348.0	490.53
Total	125.7	307.3	405.4	543.87

Source: Economic Survey 2013-14.



4. FDI in Agriculture Sector

The government of India has encouraged the flourishing of the agriculture sector. Therefore the government has taken several reforms and policies for the agriculture sector. FDI in agriculture leads to more contract farming and bringing more remuneration to farmers. With the effect of globalization in India, FDI is permitted, to promote private sector participation in agriculture and allied sector is permitted up to 100%.

Year	FDI Equity in (Rs Crore)
2014-15	365.31
2015-16	553.14
2016-17	354.77
2021-22	275.57

Source: Economic Survey 2022-23

6. Share in Country's GDP

Agriculture and allied sector have a substantial part in India's national income since 1950-51. And this sector contributes a major share in the country's GDP. The contribution of agriculture and allied sector has been decreasing because the share of services sector has increased in the period 1960-61 to 2011-12. But in recent years the share of agriculture sector has increased. This can be observed from the following tables.

Year	GDP (In Rs. Cr) at 2004-05 Prices	Agriculture & Allied Sector (In Rs. Cr) at 2004-05 Prices	%
1950-51	2,86,147	1,47,216	51.45
1960-61	4,10,279	1,95,482	47.65
2001-02	24,72,052	5,54,157	22.42
2011-12	52,43,582	7,39,495	14.10
2016-17	1,37,50,786	23,82,289	17.32
2022-23	1,60,71,000	72,90,000	18.42

Source: statistics times

GDP (In Rs. Cr. at Current Prices, 2022-23)

5. Employment

Agriculture sector has been playing an important role in the employment creation in the economy. India's large no of population working force are employed in agriculture and allied sectors.

The positive impact of globalization on agriculture and allied industries has created employment in sectors like exporting, packing, processing, transportation, and storage. The agro industries depending on agriculture are stored and it made an increase in employment. Agriculture provides around 52.1% employment. And it is biggest unorganized sector of the Indian economy.

6. Growth of Agriculture Export

The country has emerged as a major player in the global market. Agriculture accounts for 11% of total exports. Currently India is the world largest rice exporter and second in wheat exports. India's agriculture export has declined from \$ 43.23 billion in 2013-14 to \$33.87 billion in 2016-17. The following table shows export of major agriculture commodities in terms of rupees.

Growth of India's Export of Agriculture (In Rs. Crore)			
Year	Total Export	Export of Agriculture & Allied sector	%share of Agriculture to Total Export
1990-91	32,557.6	6,018.7	18.49
2000-01	2,03,571.0	27,288.0	13.40
2007-08	6,55,863.5	74,094.3	11.30
2021--22	4,17,810,00.0	3,74,611.64	20.79%

Source: Economic Survey 2022-23 and RBI Handbook.

CONCLUSION

In the current scenario all countries accept globalization. And under it all countries get the same opportunities to develop their international relations and trade. Agriculture sector has played key role in the Indian economy. After the adoption of globalization in July 1991 Indian agriculture growth rate increase. India ranks second globally in agriculture production at \$367 billion. But at the current period the economic condition of the farmers is not satisfactory because of government policy and uncertain monsoons condition. Therefore, ultimate success of globalization can only be realized when it helps achieve all the parameters and policies of agriculture development. According to the Economic Survey the agriculture sector in the country grew by 3% in 2021-22, lower than an average growth of 4.6% in the last six years. In 2020-21, the growth in this sector was 3.3%. In 2016-17, the growth rate was 6.8%, followed by 6.6% in 2017-18, 2.1% in 2018-19 and 5.5% in 2019-20. The Survey said private investment in agriculture increased to 9.3% in 2020-21. The public investment, however, remained at 4.3%, the same as 2019-20. India is one of the countries that succeeded significantly after the initiation and implementation of globalization.

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