



Challenges of Agricultural Development

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Abstract

Make in India is an international marketing campaigning slogan coined by the Prime Minister of India, Narendra Modi on 25 September 2014 to attract businesses from around the world to invest and manufacture in India. The campaign has been concentrated to fulfill the purpose of job creation, enforcement to secondary and tertiary sector, boosting the national economy, converting the India to a self-reliant country and to give the Indian economy global recognition. The 'Make in India' also attempts to enforce the inflow of FDI in the country and improve services by partial privatization of loss-making government firms. The campaign is completely under control of the Central Government of India.

Keywords: Make in India, Agriculture.

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Introduction

Make in India is an international marketing campaigning slogan coined by the Prime Minister of India, Narendra Modi on 25 September 2014 to attract businesses from around the world to invest and manufacture in India.

Objectives

1. To focus upon the heavy industries and public enterprises while generating employment,
2. To empower secondary and tertiary sector and utilizing the human resource present in India.

Highlights and Purpose

1. Make in India include making India a manufacturing hub and economic transformation in India while eliminating the unnecessary laws and regulations, making bureaucratic processes easier and shorter,
2. Make government more transparent, responsive and accountable.
3. A government emphasized upon the framework which include the time-bound project clearances through a single online portal which will be further aided by the eight-members team dedicated to answering investor queries within 48 hours and addressing key issues including labour laws, skill development and infrastructure.

Prime Minister & Make in India

It is important for the purchasing power of the common man to increase, as this would further boost demand, and hence spur development, in addition to benefiting investors. The faster people are pulled out of poverty and brought into the middle class, the more opportunity will there be for global business, investors from abroad need to create jobs. Cost effective manufacturing and a handsome buyer – one who has purchasing power – are both required. India is the only country in the world which offers the unique combination of democracy, demography, and demand. The new Government was taking initiatives for skill development to ensure that skilled manpower was available for manufacturing.

India's business community in the last few years, due to lack of clarity on policy issues. Indian businessmen say that they would leave India and set up business elsewhere. No Indian business should feel a compulsion to leave the country under any circumstances. It is essential for investors to feel secure. Let us begin with trust; if there is an issue, Government can intervene. To the expression "Look East," the Prime Minister added "Link West", and said a global vision was essential. Mission Swachh Bharat and "waste to wealth" could lead to good revenue models for business as well. Waste water management and solid waste management in 500 towns across India through public private partnership.

The Prime Minister also spoke of infrastructure of the future – including i-ways besides highways – and mentioned port led development, optical fibre networks, gas grids and water grids.

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Indian Economy

The growth and performance of the Indian economy in the world market is explained in terms of statistical information provided by the various economic parameters. For example, Gross National Product (GNP), Gross Domestic product (GDP), Net National Product (NNP), per capita income, Gross Domestic Capital Formation (GDCF), etc. are the various indicators relating to the national income sector of the economy. They provide a wide view of the economy including its productive power for satisfaction of human wants.

In the industrial sector, the Index of Industrial Production (IIP) is a single representative figure to measure the general level of industrial activity in the economy. It measures the absolute level and percentage growth of industrial production.

The Indian economy is the fourth largest economy of the world on the basis of Purchasing Power Parity (PPP). It is one of the most attractive destinations for business and investment opportunities due to huge manpower base, diversified natural resources and strong macro-economic fundamentals. Also, the process of economic reforms initiated since 1991 has been providing an investor-friendly environment through a liberalised policy framework spanning the whole economy.

Agriculture and Indian Economy



Agriculture economy, which determines Agriculture, is the backbone of Indian economy, which determines the growth and sustainability. A majority of Indian population relies on agriculture for employment and livelihood. Steady investments in technology development, irrigation infrastructure, emphasis on modern agricultural practices and provision of agricultural credit and subsidies are the major factors contributed to agriculture growth. Indian agriculture sector employs around 58.2 per cent of the total workforce. The country has today emerged as a major player in the global agriculture market. Though, agriculture accounts for 14 per cent of gross domestic product (GDP) and about 11 per cent of our total exports, it is an essential link in the supply chain of the manufacturing sector and at the same time constitutes a big market for the industrial products. Indian agri-exports in 2012-13 were US\$ 41 billion against agri-

imports of US\$ 20 billion, giving a net trade surplus of US\$ 21 billion. The Department of Agriculture and Cooperation under the Ministry of Agriculture is the nodal organisation responsible for development of the agriculture sector in India. The organisation is responsible for formulation and implementation of national policies and programmes aimed at achieving rapid agricultural growth through optimum utilisation of land, water, soil and plant resources of the country.

Market Dynamics



The good rainfall, the agriculture sector in India is likely to grow in the range of 5.2-5.7 per cent in 2013-14 agriculture years (July-June), nearly three times more than the last year. The farm sector had grown at 1.9 per cent last fiscal. In 2012-13, the share of exports of agricultural and processed food products in overall exports rose to 10.6 per cent. Guar gum has emerged as India's largest item of agricultural export and responsible for pushing the country's overall farm exports during the period. Total exports of Indian agricultural and processed food products during April–November 2013 stood at US\$ 14,515.10 million as compared to US\$ 13,281.47 million during the same period last year, according to data released by the Agricultural and Processed Food Products Export Development Authority (APEDA).

India's tea production in April–December 2013 grew by 9 per cent to 1,116.98 million kg on account of higher output in Assam and West Bengal. The production was 1,025.01 million kg during the corresponding period last year, according to the Tea Board of India.

Coffee consumption in India has been growing at the rate of 5-6 per cent in the last five years, according to the Coffee Board of India. It has increased to 90 grams per capita a year over the last decade. The foreign direct investment (FDI) inflows in agricultural services and machinery sector during April 2000–November 2013 stood at US\$ 1,666.49 million and US\$ 338.01 million respectively, as per the data released by the Department of Industrial Policy and Promotion (DIPP).

Major Developments and Investments

Fluid management company Kirloskar Brothers Ltd (KBL) has collaborated with Tata Power to install the world's largest circulating water pumping system for the latter's Ultra Modern Power Plant (UMPP) at Mundra in Gujarat. The National Bank for Agriculture and Rural Development (NABARD) has sanctioned Rs

1,112 crore (US\$ 178.58 million) for creation of 1,336 warehouses in various States and State Government Corporations in the country, which will create 0.75 million tonnes (MT) of additional storage space. Under Private Entrepreneurs Guarantee (PEG) Scheme, a capacity of 20.38 trillion tonnes (TT) has been approved for construction of godowns at various locations in 19 States to store food grains procured for Central Pool. Indian Council of Agricultural Research (ICAR) has sought Rs 5,700 crore (US\$ 915.03 million) to strengthen Krishi Vigyan Kendras (KVK) in the 12th Five Year Plan. The allocation for KVK was Rs 2,000 crore (US\$ 321.10 million) during the 11th Plan. For the 12th Five Year Plan, the Union Ministry of Commerce has received approval from the Planning Commission for a 60 per cent increase in the allocation to coffee sector at Rs 950 crore (US\$ 152.49 million) as compared to the 11th Plan.

Government Initiatives



The Government of India has taken several steps to revitalise agriculture sector and improve the conditions of farming community on sustainable basis by increasing investment, improving farm practices, rural infrastructure, delivery of credit, technology and other inputs. Some of the major initiatives taken by the Government of India include:

- ❖ The government has allowed 100 per cent FDI under automatic route in storage and warehousing including warehousing of agricultural products with refrigeration (cold storage). 100 per cent FDI is also permitted for development of seeds.
- ❖ The Government of India has approved the Government of Karnataka's proposal to set up a chilli park at Haveri. "We have cleared the proposal. The land for setting up the chilli park will be finalised by the state government," said Mr Anand Sharma, Union Minister for Commerce and Industry, Government of India.
- ❖ The Government of Punjab has inked a joint statement on agriculture cooperation with Canada's Alberta province to work together in the agro-sector including agriculture research, animal husbandry and agri-food endeavours.

- ❖ The Department of Agriculture and Cooperation is implementing Centrally Sponsored Schemes namely National Horticulture Mission and Horticulture Mission for North East and Himalayan States for holistic development of horticulture in the country including Andhra Pradesh.
- ❖ The Cabinet Committee on Economic Affairs (CCEA) has approved the implementation of the National Mission on Agricultural Extension and Technology (NMAET) during the 12th Plan period with a total outlay of Rs 13,073.08 crore (US\$ 2.09 billion). The Mission aims to restructure and strengthen agricultural extension to enable delivery of appropriate technology and improved agronomic practices to farmers.

Further Growth

With the increasing number of quick service restaurants (QSRs) in India, local cold chain are witnessing their business grow at a pace between 15 per cent and 25 per cent. Crisil expects the QSR market to double from Rs 3,400 crore (US\$ 545.64 million) in 2012-13 to about Rs 7,000 crore (US\$ 1.12 billion) in 2015-16. India's wheat production in 2013-14 crop year (July-June) is likely to surpass the previous record of 94.88 MT in 2011-12 on better coverage and good weather conditions, as per Mr Tariq Anwar, Minister of State for Agriculture Contract farming has the potential to change the face of Indian agriculture quite significantly, as it has helped boost the egg and milk production by 166 per cent and 100 per cent respectively between 1993-94 and 2011-12, while food grain production increased by 40 per cent during the period.

Challenges of Agricultural Development

The main challenges multifunctional agricultural development includes the following...

- To improve social welfare and personal livelihoods in the rural sector and enhance multiplier effects of agriculture.
- To empower marginalized stakeholders to sustain the diversity of agriculture and food systems, including their cultural dimensions.
- To maintain and enhance environmental and cultural services while increasing sustainable productivity and diversity of food, fibre and bio fuel production.
- To manage effectively the collaborative generation of knowledge among increasingly heterogeneous contributors and the flow of information among diverse public and private organizational arrangements.
- To link the outputs from marginalized, rain fed lands into local, national and global markets.

Importance of Agricultural Development

Agriculture, for decades, had been associated with the production of basic food crops. Agriculture and

farming were synonymous so long as farming was not commercialized. But as the process of economic development accelerated, many more other occupations allied to farming came to be recognized as a part of agriculture.

At present, agriculture besides farming includes forestry, fruit cultivation, dairy, poultry, mushroom, bee keeping, arbitrary, etc. Today, marketing, processing, distribution of agricultural products etc. are all accepted as a part of modern agriculture.

Thus, agriculture may be defined as the production, processing, marketing and distribution of crops and livestock products. According to Webster's Dictionary, "agriculture is the art or science of production of crops and livestock on farm."

Importance of Agriculture

Agriculture plays a crucial role in the life of an economy. It is the backbone of our economic system. Agriculture not only provides food and raw material but also employment opportunities to a very large proportion of population. The following facts clearly highlight the importance of agriculture in this country.

- Source of Livelihood
- Contribution to National Income
- Supply of Food and Fodder:
- Importance in International Trade
- Marketable Surplus
- Source of Raw Material
- Importance in Transport
- Contribution to foreign exchange Resources
- Vast Employment Opportunities
- Overall Economic Development
- Source of Saving
- Source of Government Income
- Basis of Economic Development

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