

Impact of Globalisation on Indian Agriculture

(A brief summary)

(P.G Semester- III, CC-11, Unit-IV)

Despite the creditable growth of agricultural output between 1949 and 1965 of about 3 percent per annum, India was facing food shortages since the mid-fifties and in the mid-sixties she was in the throes of a crisis. Agricultural growth had begun to stagnate in the early sixties. In this situation came the two wars with China (1962) and Pakistan (1965) and two successive drought years in 1965-66 leading to fall in agricultural output by 17 percent and food output by 20 percent. Thus economic self reliance and particularly food self-sufficiency became the top priority objectives of Indian economic policy and also of foreign policy. Critical inputs like High Yield Variety (HYV) wheat seeds (the suitability to Indian conditions of the high -yielding Mexican dwarf wheat proved to be an extremely timely scientific breakthrough), chemical fertilisers and pesticides, agricultural machinery including tractors, pump sets etc. Some 32 million acres of land, about 10 percent of the total cultivated area, was, thus initially chosen for receiving the package programme benefits on top priority. Government investment in agriculture rose significantly. Apart from maintaining of its agricultural growth rates, the critical impact of the Green Revolution was that it generated a rapid increase in the marketable surplus of food grains.

In the early 1990s economic crisis, India had approached International Monetary Fund for financial assistance, as a result it made structural changes as well as pursued economic reforms. Reforms included liberalisation, privatisation and globalisation. Further India signed the GATT, and opened its

economy to world market. With globalisation India made giant leaps as far as agriculture reforms are concerned. With WTO (World Trade Organisation) in 1995, Trade Related Intellectual Rights (TRIPS) and General Agreement on Trade in services (GATS) restrictions on agricultural trade was removed. As a result there was a rise in production and productivity, growth in trade in food items, all contributing to the increase in national income. Agriculture sector is contributing about 16% of the GDP & 10 percent of the export earnings. Ministry of Commerce and Industry introduced Agriculture Export Policy 2018, with an aim to double farmers' income by 2022 by doubling agricultural exports from the country and integrating Indian farmers and agricultural products to the global value chain. The export of agriculture is targeted at US\$ 60 billion by 2022. The main items of agriculture exports from India are- Basmati Rice, Non-Basmati Rice, Fresh Vegetables, Groundnut, Fresh Fruits, Processed Fruits & Juices, Cereal Preparations, Guar gum, Processed Items, Alcoholic Beverages, Processed Vegetables, Dairy Products, Other Cereals, Pulses, Cocoa Products, Sheep/Goat Meat, Milled Products. Floriculture, Poultry Products, Fruits and Vegetable Seeds, Wheat, Animal Casings, Processed Meat and Other Meats Indian agricultural, horticultural and processed foods are exported to more than 100 countries, chief among them being the Middle East, Southeast Asia, SAARC countries, the EU and the US. India ranks first in the production of fruits like mangoes, papaya and bananas, It is the largest producer of milk in the world, also has the largest population of buffaloes. It ranks first in the production of pulses too.

With globalisation, there has been rapid increase in the growth of agriculture, more and more agriculture produce items are been exported as well as there is also the growth in import of technology, yet the condition of the farmers have not improved much because of input cost being high and out put cost being low. The dependence on employment in agriculture sector has decreased considerably also the share in the GDP. We have incidences of farmer's suicides. Irrigation facilities too needs to be developed further. In spite of these shortcomings, because of government's top priority towards agriculture and investments, agriculture sector is sure to reap the benefits .With improved irrigation facilities, better quality seeds to farmers, timely credit facilities, availability of better technological inputs, Indian agriculture will prosper more in the coming years.