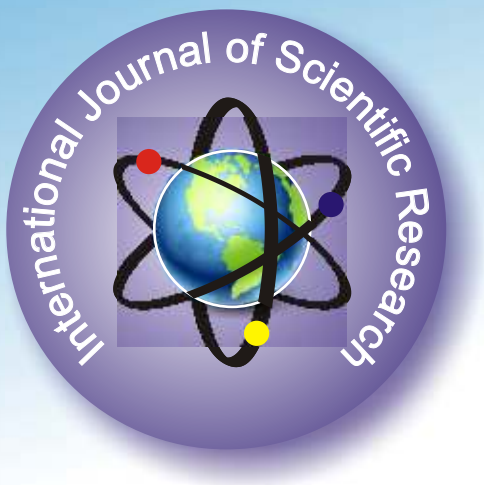
International Journal of Scientific Research

Listed in International ISSN Directory, Paris

Volume 1 | Issue 1 | June 2012



ISSN No. 2277 – 8179

A Multi-Subject Journal

Journal for All Subjects

ISSN No. 2277 – 8179

International Journal of Scientific Research

Journal for All Subjects

Advertisement Details

Position	B/W (Single Color)	Fore Color
Full Inside Cover	₹ 6250	₹ 12500
Full Page (Inside)	₹ 5000	-

Subscription Details

Period	Amount Payable
One Year (12 Issues)	₹ 3000
Two Year (24 issues)	₹ 5800
Three Year (36 issues)	₹ 8700
Five Year (60 issues)	₹ 14400

You can download the Advertisement / Subscription Form from website www.gra.in. You will require to print the form. Please fill the form completely and send it to the **Editor, International Journal of Scientific Research** along with the payment in the form of Demand Draft/Cheque at Par drawn in favour of **International Journal of Scientific Research** payable at Ahmedabad.

1. Thoughts, language vision and example in published research paper are entirely of author of research paper. It is not necessary that both editor and editorial board are satisfied by the research paper. The responsibility of the matter of research paper/article is entirely of author.
2. Editing of the **International Journal of Scientific Research** is processed without any remittance. The selection and publication is done after recommendations of atleast two subject expert referees.
3. In any condition if any National/International University denies accepting the research paper published in IJSR then it is not the responsibility of Editor, Publisher and Management.
4. Only the first author is entitle to receive the copies of all co-authors
5. Before re-use of published research paper in any manner, it is compulsory to take written permission from the Editor-IJSR, unless it will be assumed as disobedience of copyright rules.
5. All the legal undertaking related to **International Journal of Scientific Research** is subject to Ahmedabad Jurisdiction.
7. The research journal will be send by normal post. If the journal is not received by the author of research papers then it will not be the responsibility of the Editor and publisher. The amount for registered post should be borne by author of the research paper in case of second copy of the journal.

Editor,
INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH
3, SUHANA, Nr. Rubi Apartment, B/H NID, Rajnagar Road,
Paldi – 380007. Ahmedabad-Gujarat. (INDIA)
Contact: +91 98247 02127, +91 88660 03636
Www.theglobaljournals.com | ijsr@theglobaljournals.com

Index

ISSN : 2277 – 8179

June, 2012

Challenges of Indian Agriculture and Rural Development

*Dr. Sangappa. V. Mamanshetty

Abstract

Indian agriculture is facing a policy paradox. Although several forecasts of the 1990s predicted that India would be a large importer of grains in the years to follow, in fact from 2001 to 2004 India exported around 30 million tons of food grains. It was seeking primarily to liquidate its bulging grain stocks, which reached 63 million tons in July 2002. Whereas India's agricultural policy is still rooted in the goal of self-sufficiency in grains, consumption patterns are changing fast toward high-value agricultural products such as fruits and vegetables, livestock products, and fish. The policy environment is lagging behind the structural change occurring in India's consumption and production baskets. On another front, foreign exchange reserves, which had reached a rock-bottom US$1.2 billion in July 1991, climbed to more than US$120 billion by the end of 2009-10. Nonetheless, despite comfortable food and foreign exchange reserves and reasonably high growth in gross domestic product (GDP) of about 6 percent annually, India still has more than 250 million underfed people (below the poverty line) and high under-employment. This situation reflects severe problems on the distribution front. What are the reasons behind this paradoxical situation? The answer presumably lies in the neglect of, as well as misallocation of resources in, agriculture and rural development, especially in the later phase of the reform process initiated in 1991. In summary, we suggest five areas for action to put rural India on a higher growth trajectory that would cut hunger, malnutrition, and unemployment at a much faster pace than has been the cases far. The five areas for action are interlinked and would best work if pursued in conjunction. We emphasize investments with a human face that include and reach out to the rural poor and a reorientation of subsidies toward such investments

Keywords : Policy,Unempolyement Conjunction Growth.

Introducton

We fully agree that “one advantage [of small farms] is their higher economic efficiency relative to large farms...”. In our experience, sustainable agricultural practices have a big

potential for increases in productivity . However, the question whether the will be achieved should not be reduced to agricultural productivity. Today, enough food is produced for all, and the immense dimension of hunger in the world indicates that hunger is a structural rather than a production problem. Already today, a large part of the produced calories serve as animal feed and fuels. Their share is expected to grow, since the hunger for meat and the quest for fuels increase. Furthermore, agricultural land is converted to areas for housing, industries and infrastructure. In this light, feeding the world is not a productivity issue in the first place, but a question of priority. The political will to produce enough food for an increasing world population would not only ask for increases in agricultural productivity, but as much for land use policies prioritizing staple food production over animal feed and fuel production.

Pro-Poor Rural and Agricultural Investments and Cutting Subsidies

Since the early 1980s public investment in agriculture has experienced a secular decline, while input subsidies (on fertilizers, power, and canal irrigation) have been rising. In the early years of economic reforms, an attempt was made to arrest and reverse these trends .but this effort could not be sustained. As a result the gap between investments and subsidies kept widening. Today input subsidies, together with food subsidies, amount to roughly five to six times the public investment in agriculture.

The strategy should be to contain and target subsidies and plow the savings back into agriculture as investment. IFPRI research shows that investments in R&D have the highest impact on agricultural growth per million rupees invested. The rates of return to public investment in research have been as high as over 60 percent, and in extension, over 50 percent. India currently invests only about 0.5 percent of its agricultural GDP in agricultural research, compared with 0.7 percent in the developing countries as a whole and as much as 23 percent in the developed countries.

Green Revolution and small scale farming

Agriculture productivity in India, growth in average yields from 1970 to 2010

Crop	Average YIELD, 1970-1971	Average YIELD, 1990-1991	Average YIELD 2010-2011
	kilogram per hectare	kilogram per hectare	kilogram per hectare
Rice	1123	1740	2240
Wheat	1307	2281	2938
Pulses	524	578	689
Oilseeds	579	771	1325
Sugarcane	48322	65395	68596
Tea	1182	1652	1669
Cotton	106	225	510

* Asst.Professor in Economics, Govt First Grade College, Chincholi-585307.Tq:Chincholi.Dist:Gulbarga,Karnataka

India and China are competing to establish the world record on rice yields. Yuan Longping of China National Hybrid Rice Research and Development Center, China, set a world record for rice yield in 2010 at 19 tonnes per hectare in a demonstration plot. In 2011, this record was surpassed by an Indian farmer, Sumant Kumar, with 22.4 tonnes per hectare.

The Water Challenge

Rapid growth in nonagricultural water demand, the unsustainable overdraft of groundwater, and a slowdown in the growth of water supply investments are leading to growing water shortages for agriculture in much of India. These shortages are likely to worsen in the coming years if business as usual continues, and the local impacts on agricultural employment and rural livelihoods could be severe. Concerted policy efforts, however, could significantly mitigate the negative effects of growing water shortages.

The High-Value Agriculture

The sustained increases in per capita incomes of about 4 percent per year during the past two decades, consumption patterns in India are changing away from cereals to high-value agricultural products. How fast has the consumption basket of an average Indian changed? Data from the National Sample Survey Organization show that per capita consumption of cereals from 1977 to 1999, for example, declined from 192 to 152 kilograms per year in rural areas and from 147 to 125 kilograms in urban areas.

Reforms in Trade and Market Policy

Agricultural policy reforms of the 1990s more or less eliminated the bias against agriculture by lowering industrial tariffs and liberalizing exports of agricultural commodities. This change improved the relative incentives environment (measured as the ratio of agricultural prices to prices of manufactured goods) in favor of agriculture, providing a strong boost to private sector investments in agriculture (see Figure 2)

These reforms would involve removing all controls on the functioning of domestic markets, such as movement restrictions, stocking limits on private trade, levies on rice and sugar mills,controls on investments in large-scale agro processing and on foreign investments in retail chains, and bans on direct buying from farmers by processors. India should also introduce new institutions such as futures trading that can reduce market risk and promote investments

Summary & Conclusion

As we can not agree with some of the conclusions and strategic recommendations presented in the paper, we suggest to review a number of aspects regarding the approach to development. We fully agree that development should be participatory and, therefore, recommend to develop a strategy placing the poor in the centre not only concerning marketing issues, but also in R&D, extension and decision-making. Development should be empowering, self-determined and sustainable.

In summary, we suggest five areas for action to put rural India on a higher growth trajectory that would cut hunger, malnutrition, and unemployment at a much faster pace than has been the cases far. The five areas for action are interlinked and would best work if pursued in conjunction. We emphasize investments with a human face that include and reach out to the rural poor and a reorientation of subsidies toward such investments.

1. Indian agriculture faces promising opportunities in the production and marketing of high-value livestock products, fruits and vegetables, and fishery. To exploit these opportunities, India

must liberalize its marketing and trade policies to encourage vertical coordination between farms, firms, and forks (supermarkets); facilitate increased flow of rural credit, especially to

smallholders, through, say, nonbanking financial intermediaries; and withdraw any special concessions in support of food grain policies.

2.India should reorient its social safety nets to create more employment in rural areas; help strengthen the human resource base through education, nutrition, and empowerment

3. India should increase investments in rural infrastructure (including transport and information technology that connects villages) and agricultural R&D (leading to improved technologies for farmers). This is our most important suggestion.

4. Trade liberalization in agriculture has the potential to bring rich dividends to developing countries, including India. To realize this potential, India must work toward establishing and

strengthening a rules-based multilateral trading system through WTO negotiations.

5. Water is going to be increasingly scarce. Investing large sums in new mega-irrigation schemes may not be the best course of action, but it is important to complete those in which a lot of money has already been invested. Overall, however, managing water use through institutional changes, such as water rights that are based on farmer groups and water-harvesting schemes

in dry areas with local participation, are likely to be more rewarding.

References

Agriculture Today, September, 2004 issue. | 2. Contract Farmingpartnership and growth, FAO 2001, Charles Eaton and Andrew W. Shepherd. | 3. Papers presented in National Conference "Contract farming a strategy for promoting agribusiness prosperity challenges and opportunities" PHD Chamber of Commerce and Industry, June, 2004. | 4. Research study on contract farming operations in India and its impact on Agricultural Marketing, 2004 National Institute of Agricultural Marketing, Raipur. | 5. Report of Expert Committee on Strengthening and Developing of Agricultural Marketing, 2001. Ministry of Agriculture, Government of India.

Sara Publishing Academy
INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH
Journal for All Subjects

Editor,
INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH
3, SUHANA, Nr. Rubi Apartment, B/H NID, Rajnagar Road,
Paldi – 380007. Ahmedabad-Gujarat. (INDIA)
Contact: +91 98247 02127, +91 88660 03636
Www.theglobaljournals.com | ijsr@theglobaljournals.com

Printed at Unique Offset, Novatsing Rupam Estate, Opp. Abhay Estate, Tavdipura, Shahibaug, Ahmedabad