

## Impact Of Globalization On Agriculture: Some Grassroots Level Reflections In Andhra Pradesh



### Economics

**KEYWORDS :** Globalization, Size neutral, Growing logistic support, Supply response

**Dr. B. Sudhakar Reddy**

Associate Professor, Department of Economics, Osmania University, Hyderabad, Andhra Pradesh

Globalization and internationalization are not strange things to agriculture. Since mid-seventies farmers' incomes have been heavily dependent on their success in selling products in regional, national and international markets. More recently, the development of agreements such as WTO and NAFTA have been the focal point of much of the globalization discussion, with the emphasis on broader access to world markets, expanding exports of agricultural commodities and particularly, further processed agricultural and food products.

The SAP 1991 and further modifications to it made Indian agriculture to get exposure to world markets. The implications of the said exposure have got both positive and negative tone. But the exposure of Indian agriculture to world markets is an inevitable exercise. The current academic effort is a modest one to examine the implications of globalization on agriculture and to capture the grassroots level realities of the globalization.

### OBJECTIVES OF THE PAPER

1. To analyze the socio-economic profile of the sample farmers in the study area
2. To examine the impact of globalization on agriculture in Andhra Pradesh
3. To test whether the impact of globalization is socially neutral and size neutral

Towards the end of the objectives, data with regard to 90 farmers from Maddur Mandal of Mahabubnagar district of Andhra Pradesh are considered. The sample farmers are selected mostly by adhering to the principle of stratified random sampling. The criteria of stratification are social status and size of the farmers. The required data are collected directly from the respondents by administering a pre designed questionnaire/ schedule. The major findings are presented below.

### MAJOR FINDINGS

**Table-1**

**Type of farmer**

| Type of farmer     | Frequency | Percent | Cumulative Percent |
|--------------------|-----------|---------|--------------------|
| Progressive farmer | 69        | 76.7    | 76.7               |
| Traditional farmer | 21        | 23.3    | 100.0              |
| Total              | 90        | 100.0   |                    |

**Source: primary data**

Table-1 refers to the distribution of the sample farmers by the type of farmers. It is observed that the sample consists of 76.7 percent of progressive farmers and 23.3 percent of traditional farmers.

**Table-2**

**Size of farmer**

| Size of farmer | Frequency | Percent | Cumulative Percent |
|----------------|-----------|---------|--------------------|
| Marginal       | 12        | 13.3    | 13.3               |
| Small          | 52        | 57.8    | 71.1               |
| Medium         | 18        | 20.0    | 91.1               |
| Big            | 8         | 8.9     | 100.0              |
| Total          | 90        | 100.0   |                    |

**Source: primary data**

Table-2 refers to the distribution of the sample farmers by the size of farmers. It is observed that the sample consists of 13.3 percent of marginal farmers, 57.8 percent of small farmers, 20 percent of medium farmers and 8.9 percent of big farmers.

**Table-3**

**Social status of the farmers**

| Social status | Frequency | Percent | Cumulative Percent |
|---------------|-----------|---------|--------------------|
| OC            | 20        | 22.2    | 22.2               |
| BC            | 48        | 53.3    | 75.6               |
| SC            | 14        | 15.6    | 91.1               |
| ST            | 8         | 8.9     | 100.0              |
| Total         | 90        | 100.0   |                    |

**Source: primary data**

Table-3 refers to the distribution of the sample farmers by the social status of farmers. It is found that the 22.2 percent of the sample farmers are drawn from socially advanced castes, 53.3 percent are drawn from backward castes, 15.6 percent from scheduled castes and 8.9 percent farmers are scheduled tribes. Thus, majority of the sample farmers are from socially down-trodden communities.

**Table-4**

**IMPACT OF GLOBALIZATION ON AGRICULTURE (Number of farmers)**

|    | Impact variable                                                        | Low | Moderate | High | Total |
|----|------------------------------------------------------------------------|-----|----------|------|-------|
| 1  | Frequent changes in cropping pattern                                   | 10  | 20       | 60   | 90    |
| 2  | Technology component                                                   | 7   | 27       | 56   | 90    |
| 3  | Shift in agriculture from food crops to non food crops                 | 8   | 17       | 65   | 90    |
| 4  | Production for international markets                                   | 22  | 61       | 7    | 90    |
| 5  | Increasing scale of interrelationship between agriculture and industry | 7   | 19       | 64   | 90    |
| 6  | Growing logistic support to agriculture                                | 9   | 20       | 61   | 90    |
| 7  | Formation of supply chains in Agriculture                              | 19  | 63       | 8    | 90    |
| 8  | Differentiated production                                              | 6   | 62       | 22   | 90    |
| 9  | Fortified food                                                         | 57  | 23       | 10   | 90    |
| 10 | Information intensive production                                       | 7   | 15       | 68   | 90    |
| 11 | Emergence of ecological agriculture                                    | 60  | 20       | 10   | 90    |
| 12 | Increasing risk taking behavior                                        | 10  | 21       | 59   | 90    |
| 13 | Supply response on the basis of expected price                         | 16  | 19       | 55   | 90    |

**Source: primary data**

Table-4 refers to the distribution of the sample farmers by their responses towards the impact of globalization processes on agriculture in Andhra Pradesh with reference to various impact parameters. The impact of globalization process on agriculture is not direct. But the globalization processes have got indirect bearing on agriculture. The impact of globalization on agriculture is measured with the help of 3- point Likert scale with a measure of Low=1, Moderate=2 and High=3. The impact parameters are arranged in descending order of endorsement on the basis of 'high' scores. The said order of impact of globalization on agriculture in Andhra Pradesh includes Information intensive production, shift in agriculture from food crops to non food crops, increasing scale of interrelationship between agriculture and industry, growing logistic support to agriculture, frequent changes in cropping pattern, increasing risk taking behavior, technology component, Supply response on the basis of expected price, differentiated production, fortified food, emergence of ecological agriculture, formation of supply chains in agriculture and production for international markets.

**Table-5**  
**THE RELATIONSHIP BETWEEN THE SOCIO-ECONOMIC PROFILE AND THE IMPACT OF GLOBALIZATION ON AGRICULTURE**

| Sl. No | Impact variable                                                        | Testing the null hypothesis with LOS=0.05 |                |               |
|--------|------------------------------------------------------------------------|-------------------------------------------|----------------|---------------|
|        |                                                                        | Type of farmer                            | Size of farmer | Social status |
|        |                                                                        | DF=2                                      | DF=6           | DF=6          |
| 1      | Frequent changes in cropping pattern                                   | Not rejected                              | Not rejected   | Not rejected  |
| 2      | Technology component                                                   | Not rejected                              | Not rejected   | Not rejected  |
| 3      | Shift in agriculture from food crops to non food crops                 | Rejected                                  | Rejected       | Not rejected  |
| 4      | Production for international markets                                   | Not rejected                              | Not rejected   | Not rejected  |
| 5      | Increasing scale of interrelationship between agriculture and industry | Not rejected                              | Not rejected   | Rejected      |
| 6      | Growing logistic support to agriculture                                | Not rejected                              | Not rejected   | Rejected      |
| 7      | Formation of supply chains in Agriculture                              | Not rejected                              | Not rejected   | Not rejected  |
| 8      | Differentiated production                                              | Not rejected                              | Rejected       | Not rejected  |
| 9      | Fortified food                                                         | Not rejected                              | Not rejected   | Not rejected  |
| 10     | Information intensive production                                       | Rejected                                  | Not rejected   | Not rejected  |
| 11     | Emergence of ecological agriculture                                    | Not rejected                              | Not rejected   | Not rejected  |
| 12     | Increasing risk taking behavior                                        | Not rejected                              | Not rejected   | Not rejected  |
| 13     | Supply response on the basis of expected price                         | Not rejected                              | Not rejected   | Not rejected  |

Table-5 refers to the relationship between the socio- economic characteristics of the sample farmers and the impact of globalization on agriculture. The relationship between the type of farmers and their perceptions about the impact of globalization on agriculture is found to be statistically independent except with reference to shift in agriculture from food crops to non food crops and information intensive production.

The relationship between the size of farmers and their perceptions about the impact of globalization on agriculture is found to be statistically independent except with reference to shift in agriculture from food crops to non food crops and Differentiated production.

The relationship between the social status of farmers and their perceptions about the impact of globalization on agriculture is found to be statistically independent except with reference to Increasing scale of interrelationship between agriculture and industry and Growing logistic support to agriculture.

### SUGGESTIONS

For a deep understanding of the implications of globalization on agriculture in all its dimensions, the following suggestions are made which include

1. Studies of aggregative nature on the impact of globalization on agriculture are of limited use.
2. Gender concerns must be embedded in addressing the issues related to globalization.
3. Studies on income distribution patterns in before and after globalization settings assume greater relevance and significance.

### REFERENCE

1. Chandan Sen Gupta, "Conceptualizing Globalization", Economic and Political Weekly, August 18, 2001.
2. Gupta, S.P., "Economic Reforms and its impact on poor", Economic and Political Weekly pp.1295-1313, June 3, 1995.
3. Thakur, KS, "Indian Economy after Globalization", Third concept, June, 1997.
4. Jag Mohan Singh Verma, "Globalization and Economic Reforms in India", Third concept, April, 2001.
5. Chowdary, K.R, "Why India should quit WTO?" Forum against Imperialist | 6. Globalization, New Delhi. 2001. International Journal of Arts Commerce and Literature Vol 1 Issue 2 February 2013 ISSN 2320-4370.
7. Chandrakavate, M. S. and Biradar, R. R. (2001), "Economic Reforms & Indian Agriculture: Some Reflections", The Asian Economic Review, Vol. 43, No.2.
8. Harris, J., (2001), "Globalisation and World's Poor - Institutions, Inequality and Justice" Economic and Political Weekly, June 9.
9. Markkendayan, N. and Ponnaiah, M. (2004), "Impact of Economic Reforms on Dalits in India", Third Concept, March, Vol. 18, No. 205.
10. Muralidhar, B. V. (2002), "Globalization & Indian Society: A Study of Indian Agriculture" Proceedings of the ICSW Conference, held at Rotterdam, Netherlands.
11. Rao, S. S. and Murthy, K. G. K. (2001), "The Unfolding Future of Agriculture in Third World Nations in an Era of Globalization: Lessons from India", The Asian Economic Review, Vol.43, No.2, August 2001.
12. Reddy, B. P. Jeevan (1999), "India and the W.T.O. -1", the Hindu, November 19.
13. Swaminathan, M. S. (2000), "World Trade, Employment and Poverty - I", The Hindu, April 21.
14. Yadav, S. S. (2001), "WTO and Its Impact on Indian Agriculture", Yojana, Vol. 45.