

Main Sectors of Indian Economy: Agriculture

Sectors of Indian Economy

Economic activities of the Indian economy are classified into three broad sectors—the primary sector, the secondary sector and the tertiary sector.

- **Primary sector:** The agricultural sector is also known as the primary sector and includes agriculture and allied activities such as crop production, horticulture, plantation crops, forestry and allied activities such as dairy, fisheries, poultry, sheep/goat rearing, piggery and rearing of silkworms.
- **Secondary sector:** The industrial sector or the secondary sector mainly consists of mining and quarrying, manufacturing, electricity, and gas and supply. Small- and large-scale industries are included under manufacturing. In this sector, goods are produced with the raw materials from the primary sector. These goods are also known as manufactured goods.
- **Tertiary sector:** The service sector or the tertiary sector includes transport and communication, financing, insurance, real estate and business services. The service sector also includes trading of goods which include export and import.

Role of Agriculture in the Indian Economy

- **Share in national income:** Because of the development of the primary and secondary sectors, the share of agriculture in the national income has decreased from 61% in 1950–51 to 14.6% in 2009–10. However, agriculture still continues to play a significant role in the growth of the socioeconomic sector in India.
- **Largest employment-producing sector:** Agriculture is the only means of living for two-thirds of the employed people in India. In 1950–51, 69.5% of the total working population was engaged in agriculture. It has been reduced to 56.7% in 2001. Because of a rapid increase in the population, the absolute number of people involved in agriculture has grown enormously.
- **Providing raw material for industrial development:** Many industries such as cotton and jute industries, sugar industry and *vanaspati* industry depend on the agricultural sector for raw material and for their development.
- **Market for industrial products:** Agriculture also provides a market for industrial goods. The purchasing power of the rural people is a valuable motivation to industrial development.
- **Importance in international trade:** Agriculture plays a significant role in international trading activities. Total exports have been increased from 6.9% in 2010–11 to 9.08% in 2011–12.



Trends in Agricultural Production and Productivity

During the 11th Plan, the rate of growth in yield showed that there was an impressive growth in crops such as wheat, bajra and cereals; tur, soyabean and pulses; and maize, groundnut, sesame, oilseeds and cotton. It is observed that the production increased for maize, wheat, bajra, groundnut and oilseeds because of an increase in the yields, whereas the production for gram, pulses, tur, cotton and soyabean increased because of the combination of both growth in cultivable area and increase in the yield of crops.

The main factors which have led to an increase in yield per hectare are extension of irrigation facilities, use of fertilisers, high-yielding varieties (HYV) seeds, plant protection and soil improvement.

HYV seeds produce large quantities of crops particularly wheat and rice. Regular supply of water, maximum use of fertilisers and use of pesticides in an accurate proportion are needed to use these seeds. Financial resources to purchase fertilisers and pesticides and to instal the required irrigation facilities are needed by farmers to take full advantage from HYV seeds.

Causes of Low Agricultural Productivity in India

Indian agricultural productivity is very low compared to other countries. According to the Economic Survey, 2006–07, the average yield of rice in India is 2900 kg, which is very low in comparison to other countries. The following factors account for low productivity in India:



General Factors

- Too much dependence on agriculture: A fast-growing population and lack of alternative occupations are increasing the pressure on the land. More than half of the people depend on agriculture for their livelihood. This has led to fragmentation of holdings, disguised unemployment and other problems leading to low productivity.
- Social atmosphere: Indian farmers are poor, ignorant, illiterate, superstitious, conservative and bound by traditional customs and institutions which prevent them from adopting advanced technologies in cultivation. Hence, the productivity is low.

Institutional Factors

- Size of holding: Land holdings are either small or marginal, i.e. less than two hectares. Small holdings are due to the law of inheritance, socio-cultural and economic factors. Moreover, these small holdings and fragmented fields are not suitable for modern methods of farming.
- Land tenure system: The land tenure system in India is devastating, whether the zamindari system of the past or the taxation system at present. Under these situations, it is almost difficult to increase productivity.

Technological Factors

- Old techniques of production: The low productivity is largely because Indian farmers cultivate using old techniques of production. They have not adopted the modern methods of techniques of production.
- Inadequate irrigation facility: Most farmers still depend on the rainfall which is uncertain. They lack the means to avail the facilities of artificial irrigation. Nearly 42% of the total cultivated land is irrigated and the rest completely depends on rainfall. This type of Indian agriculture is called a gamble of the monsoon. Because of inadequate irrigation facilities, farmers are unable to grow more than one crop in a year.

Impact of Agricultural Practices on the Ecosystem

An ecosystem includes all the living things in a particular area interacting with each other and with their non-living environments. The term ecosystem was coined by the British botanist Tansley in 1935.

Causes of Destruction of an Ecosystem

- Changes in land use: Because of an increase in population growth rate and per capita consumption of resources, the ecosystem is being changed and destroyed. Hence, there is a change in land use. Deforestation is undertaken to accommodate more agricultural activity, human settlement and construction of dams. Changes in land use have destroyed the natural habitats of organisms and resulted in many being on the verge of extinction.
- Urbanisation: Urbanisation is a process of relative growth in a country's urban population. Because of urbanisation, there is a change in land use, depletion of water resources, use of large quantities of building materials for construction purposes and development of slums. More use of land for housing and industries has caused the loss of biological diversity forever. Because of widespread construction, the local groundwater level has declined, and cities have to make provision for external sources of water.

Soil Erosion and Desertification

Soil erosion refers to the wearing away of a field's topsoil by the forces of water and wind leading to desertification. Desertification is the most dangerous ecosystem change impacting the life of the poor. Constant reduction of ecosystem services as a result of desertification links land degradation to loss of human well-being. Desertification is defined by the UN Convention to Combat Desertification as "Land degradation in arid, semiarid and dry sub-humid areas resulting from various factors including climatic variations and human activities."

Fertilisers are used to increase the fertility of soil. However, when used in excess, fertilisers may contaminate the soil because of the impurities present in them. The ecosystem can be checked from destruction through the proper use of indigenous agricultural activities. In India, many indigenous practices are being adopted to control and improve the quality of ecosystems. Organic farming is being encouraged to ensure sustainable agriculture. This involves the management of resources for agriculture to satisfy the changing human needs to maintain the quality of the ecosystem.