

## ROLE OF AGRICULTURE IN INDIAN ECONOMY

---

Jatin Yadav\*  
Hetram \*\*  
Ram Prasad Yadav\*\*\*

### ABSTRACT

*India has been an agricultural driven country for decades. Agriculture is considered the most significant occupation for a large number of Indian families till date. With Over 60 % of India's land area being arable, India becomes the second largest country in terms of total arable land in the world. With the growth of other sectors like manufacturing and services, the overall contribution of agriculture to GDP of the country has reduced but agriculture continues to play a vital part in the overall economic development of India. Though the contribution of agriculture during the phase of Independence was nearly 50%, the productivity per hectare and per worker was very low. This ratio has improved drastically since the inception of economic planning in 1950-51 through five year plans. The agricultural productivity is impacted by a number of factors including both natural and manmade. The government is making continuous efforts to improve the agricultural scenario of the nation by promoting introduction of improved seeds, equipments and technology. In addition to the above, work has been focused on areas such as agricultural finance, insurance, famines, and irrigation methods. Though these efforts have boosted the Indian economy, a great amount of potential is untapped in agricultural sector.*

**KEYWORDS:** *Economic Development, Productivity, Economic Planning, Agricultural Finance.*

---

### Introduction

Agriculture has been a central segment of our economy since ages. India is the seventh largest country geographical level, second largest country population wise and twelfth largest country economic wise. A major chunk of Indian population especially rural is dependent on agriculture for their living. Being a dominant contributor in the country's Gross Domestic Product (GDP), it plays a crucial role in generating purchasing power by generating on-farm and off-farm employment opportunities and contributes to price stability. Though the share of agriculture in real GDP has dropped below one-fifth, it still employs 52 per cent of the nation's workforce. Mahatma Gandhi once said "Indian economy lives in rural villages". It stands true till date with agriculture being the prime occupation in villages. Also, many industries get their raw materials from agriculture sector. The per capita availability of food, predominantly cereals and pulses, is falling significantly as per the growing demand. As an outcome of the increasing population and decreasing agricultural production, the slackening growth of this sector during last decade has been a major policy concern. There are multiple factors that contribute towards the agricultural growth but the three major ones are listed below:

- Increased use of agricultural inputs,
- Technological change
- Technical efficiency

---

\* Research Scholar, Department of ABST, University of Rajasthan, Jaipur, Rajasthan.

\*\* Research Scholar, Department of ABST, University of Rajasthan, Jaipur, Rajasthan.

\*\*\* Research Scholar, Department of ABST, University of Rajasthan, Jaipur, Rajasthan.