

Impact Of Liberalization, Privatization, And Globalization On Indian Agriculture Sector

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ABSTRACT

India is considered as one of the fastest growing economies in the world. Agriculture is the mother of any economy, whether it is rich or poor. Much of its influence is on the other sectors of economy - industry and service. India is the second largest in farm output. Hence, India's economic security continues to be predicated upon the agriculture sector, and the situation is not likely to change in the near future. The per capita availability of land, water, and other finite natural resources will decline and water stress would augment due to climate change. The specific objectives of the study is to study the current scenario of Indian agriculture sector and to understand the trends in agriculture exports and imports. the study is based on Secondary data was collected through various secondary sources namely Agriculture Statistical at Glance (2016), Agriculture censuses Report(2016), and Various Government Reports,(2016-17) etc., The study was used appropriate statistical tool namely trend line. The study found that there has been a decline in contribution of agriculture sector in GDP along the years (2011-18). The study concluded that globalization plays a role just at international levels of trade and commerce but the fact is that it has played an important role in making our lives much more comfortable too. Indian agricultural markets are likely to get affected through various re-adjustments in the output-vector as it exists before and after trade liberalization both at global and Indian borders. India in which it chooses or chooses not to liberalize its own markets to provide market access.

Key words: *Liberalization, privatization and globalization, Agriculture, Imports, Exports.*

INTRODUCTION

India is considered as one of the fastest growing economies in the world. Agriculture is the mother of any economy, whether it is rich or poor. Much of its influence is on the other sectors of economy - industry and service. India is the second largest in farm output. Hence, India's economic security continues to be predicated upon the agriculture sector, and the situation is not likely to change in the near future. Even today, the share of agriculture in employment is about 49per cent of the population, as against around 75per cent at the time of independence. In the same period, the contribution of agriculture and allied sector to the Gross Domestic Product (GDP) has fallen from 61per cent to 17per cent in 2015-16. Around 51per cent of India's geographical area is already under cultivation as compared to 11per cent of the world average. China with lesser cultivable land produces double the food grains, i.e. 607 million tons in 2015 -16 as compared with India's 252 million tons in 2015-16. The present cropping intensity of 136per cent has registered an increase of only 25per cent since independence. Further, rain fed dry lands constitute 65per cent of the total net sown area. There is also an unprecedented degradation of land (107 million ha) and groundwater resource, and also fall in the rate of growth of total factor productivity. This deceleration needs to be arrested and agricultural productivity has to be doubled to meet growing demands of the population by 2050. Natural resource base of agriculture, which provides for sustainable production, is shrinking and degrading, and is adversely affecting production capacity of the ecosystem. However, demand for agriculture is rising rapidly with increase in population and per capita income and growing demand from industry sector. There is, thus, an urgent need to identify severity of problem confronting agriculture sector to restore its vitality and put it back on higher growth

trajectory. The problems, however, are surmountable, particularly when new tools of science and technology have started offering tremendous opportunities for application in agriculture. However, the country recorded impressive achievements in agriculture during three decades since the onset of green revolution in late sixties. This enabled the country to overcome widespread hunger and starvation; achieve self-sufficiency in food; reduce poverty and bring economic transformation in millions of rural families (Vijay Kumar. S, 2014). The situation, however, started turning adverse for the sector around mid-nineties, with slowdown in growth rate of output, which then resulted in stagnation or even decline in farmers' income leading to agrarian distress, which is spreading and turning more and more serious.

The globalization was provided by the economic reforms of 1991 initiated by Government of India. The period 1980-81 was marked by severe balance of payment difficulties. The second oil shock pushed up the import bill substantially while exports lagged considerably behind. Thus trade deficit rose to astronomical heights. During seventh plan, private remittances also showed a tendency of flattening out. As a result, net invisibles could finance only 24 percent of trade deficit in the seventh plan. The problems were compounded by gulf war in 1990-91. The trade deficit in this year soared to Rs. 16,934 crore and invisibles also recorded negative earnings. Therefore, current account deficit was as large as Rs 17,369 crore in 1990-91. The problem got further accentuated by India's increased reliance on high cost external commercials borrowings and non-resident deposits all through the 1980s as the flow of concessional assistance was considerably less than the requirements (Raghunath, 2017). Capital was flowing out of the country and country was close to defaulting loans. Along with these bottlenecks at home, many unforeseeable changes swept the economies of nations in western and Eastern Europe, South East Asia, Latin America and elsewhere around the same time.

LIBERALIZATION, PRIVATIZATION, AND GLOBALIZATION AND INDIAN

ECONOMY

Indian economy had experienced major policy changes in the early 1990s. The new economic reform popularly known as Liberalization, Privatization, and Globalization (LPG), aimed at making the Indian economy as fastest growing economy and globally competitive. The series of reforms undertaken with respect to industrial sector, trade as well as financial sector aimed at making the economy more efficient. With the onset of reforms to liberalize the Indian economy in July of 1991, a new chapter has dawned for India and her billion plus population. This period of economic transition has not only had tremendous impact on the overall economic development but also on the mindset of Indian people who could get rid from traditional, stubborn thinking, superstition, and illiteracy. Liberalization is an undeniable trend these days which countries cannot evade that. It will effect on all aspects of economics in the world. In liberalization process, tariffs reform and it may change the direction of trade between countries. India is a founder member of the World Trade Organization (WTO) and is thus committed in moving in the direction of liberalization of trade in agricultural commodities. Quantitative restrictions on imports are being phased out and exports are also being liberalized. Both agricultural exports as well as imports are now permitted through private trade, except for a few commodities. There is lot of anxiety, interest and apprehension about the impact that trade liberalization may have on producers, consumers and the economy.

LPG AND INDIAN AGRICULTURE

Agriculture is described as the backbone of the Indian economy as it constitutes the largest share of the country's national income and provides employment to about two-thirds of the workforce of the country. The economic liberalization in India refers to ongoing economic reforms in India that started on 24 July 1991. After Independence in 1947, India adhered to socialist policies. Attempts were made to liberalize economy in 1966 and 1985. Till today Agriculture remains a sensitive issue in India with almost 60per cent of its population still directly dependent on it. Indian agriculture, unlike big capital based European agriculture, revolves around numerous small farmers, who earn their livelihoods from cultivating small plots of land, and with limited access to resources like water, seed and fertilizer. Until June 1991, India followed a very restrictive economic policy characterized by exclusion of the private

sector from many important industries. India faced liquidity crisis in 1991. The balance of payment situation had deteriorated so sharply and the foreign exchange reserves had fallen so low that, the possibility of default in payment was imminent. The fiscal situation has deteriorated sharply. The budget deficit as well as overall fiscal had sharply increased, contributing on the one hand to large increase in money supply, and on the other side to sharp increase in interest payments. The economic liberalization ushered in June 1991 changed the scenario very substantially (Shekhar Maidamwar and TapanChoure , 2016). The government had undertaken wide ranging measures to promote exports even prior to 1991, but even then the coverage of imports by export earnings was quite low. This significant change in the trade balance position seems to have been realized on account of various export promotion measures, which the government has undertaken recently. Agricultural commodities are sold by the farmers through four marketing channels, viz. (1) direct to consumers; (2) through wholesalers and retailers ;(3) through public agencies; and (4) through processors. The government intervenes in agricultural trade through purchase of agricultural commodities under the MSP program, procurement of food grains, monopoly purchase, open market purchases of commodities, etc. In the case of food grains (particularly rice and wheat),the government purchase agency (Food Corporation of India) is an important market functionary for cereals. State agencies including National Cooperative Marketing Federation of India (NAFED), Cotton Corporation of India (CCI) and Jute Corporation of India (JCI) enter into open market procurement of various agricultural commodities. The government also puts compulsory levy procurement of a declared proportion on the output of some of the agro-processed commodities on the processing factories (for example, rice and sugar) to be procured at less than the market prices from the processing mills for distribution to the relatively poor consumers.

STATEMENT OF THE PROBLEM

Globalization integrated Indian economy with global economy in 1991. In India, economic growth improved significantly in the post-reform period. It is considered as one of the fastest growing economies in the world. However, the problems of globalization have not been seriously addressed by the government policies and strategies, especially with regard to agriculture sector. The experience of the economic reforms in the last few years indicate while there have been improvements in economic growth ,foreign exchange, IT revolution, export growth etc, the income distribution has been unequal and only some sections of the population benefited more from higher growth and prosperity. In India the problems of poverty, unemployment, inequalities in access to health, education and poor performance in agriculture sector. One of the excluded sectors during reform period was agriculture which showed low growth and experienced more farmers' suicides due to fake and terminal seeds, low prices and inadequate agricultural policies. The post- reform growth was led by services. Commodity sector growth (agriculture and industry) has not been higher in the post reform period as compared to that of 1980s. Particular worry is agriculture sector which showed lower than 4 per cent per annum target in the last Plans, including 12th Plan. There is disconnection between employment growth and GDP growth. In other words, employment is not generated in industry services where growth is high. On the other hand, GDP growth is low in agriculture where majority are employed. Today, even after 69 years of independence agriculture sector bears about 50per cent of population with low earnings, while industry and services together bears 50 per cent with high incomes. Thus, there has been lopsided approach to development in India in the last two and half decades. In this background the study is based on the following specific objectives, namely to study the current scenario of Indian agriculture sector and to understand the trends in agriculture exports and imports.

NEED FOR THE STUDY

In India the food grain demand is estimated over 340-356 million tones by 2033 and similar increase for commodities. The agricultural planning has to change to make it sustainability profitable with mainstreaming of agricultural reforms in production, agri business, value chains, investments and governance. The policies and investment priorities in and for agriculture can be aligned for income security and inclusiveness. The investments in water positive interventions in fund starved rain fed

regions must be enhanced. The participatory ground water management and drought proofing with investments in a framework of extensive supportive irrigation with conjunctive use of ground water and surface water bodies is needed. There is a need for a multi sector and connectivity based growth to ensure food and nutrition and income security, alleviate poverty, increase trade and also enhance the income of those who work in the farm and farm related activities. The future of agriculture in India lies in how much was investing in agri research and development today. Agriculture research and development has to innovate for precision agriculture, varieties with higher nutritive and process able traits, climate smart technologies, cyber agro physical system for generating artificial intelligence based farm and market advisories. The developmental research on water governance and water footprints and others are urgently needed.

REVIEW OF LITERATURE

Khurana (2013) focused on the sector-wise distribution of FDI inflow to know about which has concerned with the chief share, used a data from 1991-92 to 2011-2012 (post-liberalization period). In this study found that, Indian economy is mostly based on agriculture. So, there is a most important scope of agriculture services. Therefore, the foreign direct investment in this sector should be encouraged. **Aditi Sawant (2014)** evaluated the performance of agriculture in the pre and post globalization period as well the impact of restrictive FDI policies on the overall growth of the agriculture sector. The study analyzed the expected threats, weaknesses as well as the opportunities which could be nourished in the era of globalization. The study concluded the various aspects and possible outcome of the impact of FDI and the countervailing policy of Government of India with respect to agriculture sector. **Rahul Wagh, Anil P. Dongre (2016)** understand the status of Indian agriculture sector, various kinds of challenges, and obstacles in front of farmers, agro industry and governments for the development in agriculture in critical uncontrollable environments, also to know various Government initiatives, investments, policies for the development of agriculture and role of agriculture in Indian economy. **Raghunath (2017)** discussed the negative and positive impacts of globalization on Indian economy.

LIMITATIONS OF THE STUDY

- It is a macro level study. The Findings of the study may not be applicable to the micro level.
- The study has used the year 2019 data on Agriculture Statistical at Glance, Economic Survey from Government of India. If monthly or annually data have been available the results might have been different.

METHODOLOGY

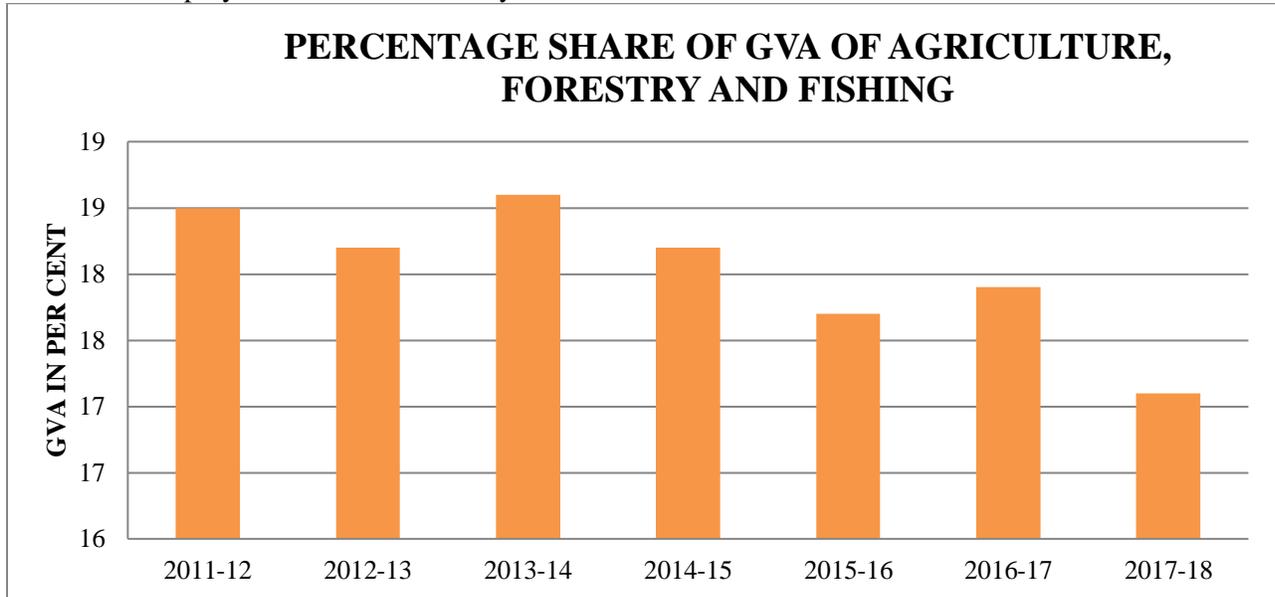
India will be home of 1.6 billion people by 2035. The per capita availability of land, water, and other finite natural resources will decline and water stress would augment due to climate change. Though India has demonstrated that there exists broad political support to its economic reform programme, as has been proved by transition of several Governments in the last decade through the political space, agricultural trade policy reforms need to be accelerated much more than what has been done so far. The challenge is to make soften the inefficiency that exists in the Indian agriculture to close the gap between its potential and actual performance through a proper policy framework. India being a net exporter in agricultural products, it has more to gain from the trade reforms. It has sufficiently high bound rates on most of the products and therefore, flexibility can be ensured against unfair competition. India does not have to worry about its subsidy, as it is already below the required line and it also does not have any domestic support to reckon with. In this context the study is based on Secondary data was collected through various secondary sources namely Agriculture Statistical at Glance (2018), Agriculture census Report (2018), and Various Government Reports,(2016-17) etc., The study was used appropriate statistical tool namely average and standard deviation.

MAJOR FINDINGS OF THE STUDY

CURRENT SCENARIO OF INDIAN AGRICULTURE SECTOR

Agriculture is an important contributor to employment with nearly 50 per cent of the population employed in it. Agriculture sector supports the industry by providing raw materials and necessary inputs for its production. Government initiatives in agricultural sector provides the hand holding support for the agriculture sector to grow and progress. Agriculture sector has to achieve its objective of maximizing efficiency and also ensuring equity in a sustainable manner.

India's economic growth in 2019 is estimated at 6.8 per cent. Agriculture accounts for nearly 18 per cent of GDP and employs almost half of country's total work force.



Source: Economic Survey,(2019).

FIGURE- 1

As is evident from the above figure 1 there has been a decline in contribution of agriculture sector in GDP along the years. Despite the fall in contribution in GDP, agriculture sector continues to be the major source for employment in the country.

DETAILS OF GROWTH OF AGRICULTURE SECTOR AND FIVE YEAR PLAN

The average annual growth rate of agriculture and allied sector during the first four years of the current Five Year Plan period (2012-17) has been 1.6 per cent as against the 12th plan target of 4 per cent per annum.

TABLE -1

DETAILS OF AVERAGE GDP GROWTH RATES IN ECONOMY AND SHARE OF AGRICULTURE SECTOR IN INDIA

(in per cent)

Average GDP Growth Rates—Overall and in Agriculture in India (per cent per period (Years) at 1999–2000 Price and 2004-05 prices for eleventh plan) Period	Total Economy	Agriculture & Allied Sectors
Pre - Green Revolution: 1951-52 to 1967-68	3.69	2.54
Green Revolution Period:1968-69 to 1980-81	3.52	2.44
Technology Dissemination Period:1981-82 to1990-91	5.40	3.52
Early Reform Period: 1991-92 to 1996-97	5.69	3.66
Ninth Plan Period: 1997-98 to 2001-02	5.52	2.50
Tenth Plan Period : 2002-03 to 2006-07	7.77	2.47
Eleventh Plan Period : 2007-08 to 2011-12	8.40	4.10
Twelfth Plan Period: 2012-13 to 2012-17	7.90	1.60
2015-16	7.60	1.2
2016-17	7.10	4.1

Source: Economic Survey, 2017 and Planning Commission of India

It is interesting to note that the growth rates of agriculture in India’s GDP had been growing during early periods, but in the last few years, it is constantly declining. This is evident from the table- 3, which presents the long-term growth rates of agriculture in comparison with the whole economy. The growth performance of agriculture has been always lower than that of the total economy, since the early independence period say pre-green revolution era (1951-52 to1967-68). The difference is the highest during the Tenth Plan Period where the total economy was growing at 7.77 per cent, the agriculture and allied sector was witnessing a growth of 2.47 during the tenth Plan Period. As evident from the table above, this sector has shown a remarkable average growth rate, i.e., 4.1 per cent during the eleventh plan period, may be due to a better monsoon in some of the years. In the 12th Plan, GDP of the total economy is growing at 7.9, but that of agriculture is only 1.6 during the first four years of the current Five Year Plan (2012-17) less than the expected target of 4per cent per annum. But, recently, CSO revised over all GDP growth rate to 7.1per cent from 7.6per cent (actual forecast was 6.5per cent only for Q4 of FY 2016-17) due to demonetization. But, however due to good monsoon the agricultural growth rate increased to 4.1per cent in Q4 of FY 2016-17 from 1.2per cent of FY 2015-16.

DETAILS OF DIFFERENT LAND USE PATTERN IN PRE AND POST REFORM PERIOD IN INDIA

Land was a vital natural resource and an important determinant of a country’s socioeconomic and ecological health. Given the limited supply of land resource, sustainable use and management of land resources was a essential for the well being of people of a country. Land use change has broad lines of impact, with a possible for influencing economic growth, quality of life, management of environmental resources, and national food supply (Geetika Rathee, 2014).

TABLE-2

DETAILS OF DIFFERENT LAND USE PATTERN IN INDIA

(in Per cent)

	Pre reform period	Post reform period
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Particulars	1950-51	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11
Forest	9.30	12.42	14.67	15.51	15.59	16.05	16.45
Not available for cultivation	15.44	16.49	14.50	12.85	13.15	13.39	14.16
Other Uncultivated land	20.72	15.77	14.72	13.53	12.66	11.62	10.96
Fallow Lands	16.76	13.60	11.52	14.63	13.92	14.92	14.66
Net Area Sown	12.38	13.89	14.69	14.63	14.90	14.74	14.76
Total Cropped Area	11.07	12.82	13.91	14.49	15.59	15.55	16.58
Area Sown More than Once	5.59	8.32	10.60	14.73	18.23	18.71	23.82
Net Irrigated area	7.39	8.74	11.02	13.72	17.02	19.56	22.56
Geographical area	100	100	100	100	100	100	100

Source: Agriculture Statistical at Glance, 2016.

The land use pattern in India, the total geographical area was 328726 thousand hectares reveals that marginal increase in forest land from 9.30 to 16.45 per cent from 1950-2010-11 has been noticed the rise that forest land in previous decades could be due to the forestation of land on large scale to preserve the ecological balance. Other categories of lands such as barren land, cultivable waste land and permanent pastures and grazing land had revealed declining trend. The diminishing trend in these types of land might be on account of quick rise in area under nonagricultural uses, area under tree crops and groves as well as area under fallow lands. Construction of buildings, institutions and set up of factories on large scale are responsible for shift of land towards non-agricultural uses, as this category registered increase over decades i.e. 15 per cent in 1950-51 to 14 per cent in the recent decade (2010-11). Land under miscellaneous tree crops and groves revealed rising trend, it's reason might probably be due to effort for sensitizing the people towards contribution in trees plantation movement by the government/NGOs etc. There was a declining trend in other fallow lands and net sown area has also been noticed. Current fallows declined since 1950-51 to 2010-11. The reasons after these changes in land categories could be the impossibility of monsoon, limited irrigation facilities and sub division and fragmentation of lands these all were making cultivation costlier. Now it was very difficult task for policy makers to maximize the income of farming community through continuous declining net sown area.

POTENTIAL AND ACTUAL PRODUCTIVITY IN INDIA

Agriculture strategy since 1951, the growth pattern witnessed in the country since 1951 shows that broadening the base of agriculture growth and modernization through the development of infrastructural services and procurement policies for crops, is essential for accelerating the pace of agricultural output. An important aspect of India's agriculture strategy under the plan has been overcoming the institutional constraints to agriculture development (Naiyer Azam and Sarfraz UI Haque, 2015). Not only in productivity in Indian agriculture lower than that in other countries, it is much lower than the potential. This would be clear from Table-3.

TABLE-3
DETAILS OF SELECTED MAJOR CROPS POTENTIAL AND ACTUAL PRODUCTIVITY IN 2014-15

CROPS	POTENTIAL	ACTUAL
Rice	4,000/5,810	2,390
Wheat	6,000/6,800	2,872
Jowar	3,000/4,200	953
Maize	6,000/8,000	2,557

(Kgs per hectare)

Cotton	700/850	461
Jute	2,500/3,000	2,627
Sugarcane	96,000/11,2000	70,000

Source: Agriculture Statistics (2016).

Even in the case of wheat (the success crop of green revolution), the actual productivity in 2014-15 was only 2,872 Kgs per hectare as against the potential of 6,000/6,800 Kgs per hectare. In the case of rice, the actual productivity in 2014-15 was only 2,390 Kgs per hectare as against the potential of 4,000/5,810 Kgs per hectare. The same story holds for all other crops.

DECADEL GROWTH RATE OF LAND USE PATTERN

The decadal growth rate was a valuable to measure the growth over multiple time periods. It can be attention of as the growth rate that gets from the primary investment value of ending investment value if believe that the investment in time period. Compound growth rates for different categories of land use pattern in India, had worked out at decade-wise since 1950 to 2011 and presented in Table 4.

TABLE-4
DETAILS OF DECADEL GROWTH RATE OF LAND USE PATTERN IN INDIA

Particulars	Pre reform period			Post reform period		
	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11
Forest	2.42	4.67	5.51	5.59	6.05	6.455
Not available for cultivation	6.49	4.50	2.85	3.15	3.40	4.16
Other Uncultivated land	5.77	4.72	3.54	2.66	1.62	0.96
Fallow Lands	5.60	1.52	4.63	3.92	4.92	4.66
Net Area Sown	3.89	4.69	4.63	4.90	4.74	4.76
Total Cropped Area	2.82	3.91	4.49	5.59	5.55	6.58
Area Sown More than Once	-1.68	0.6	4.73	8.23	8.71	13.82
Net Irrigated area	-1.26	1.02	3.72	7.02	9.56	12.56

Source: Agriculture Statistical at Glance, 2016.

From decadal growth rate analysis of different categories of land, it was observed that net sown area had thoroughly increases to 3.89 to 4.76 per cent per annum. Some categories of land such as barren and uncultivable land, cultivable waste land, permanent pastures and grazing land as well as fallow land other than current fallow had revealed decreasing trend throughout the study period (1960-61 to 2010-11). These categories of lands might probably contain shifted to nonagricultural purposes and converted to cultivation purposes on the other. The area sown more than once had negative in 1960-61 and it was positive in 2010-11 as 13.82 per cent and 12.56 per cent. The cultivators may have tempted to diversify their farming, putting more area under high valued crops on one side and also prefer to minimize the risk situation emerging due to climatic change unleashing erratic rainfall and consequently costly diesel irrigation, engulfing the margin of profits in raising season's crops.

COMPOUND GROWTH RATES OF PRODUCTION AND YIELDS OF CROPS

Agricultural production includes growing of field crops including jute, oilseeds, fodder grass, seeds, tree nurseries (except those of forest trees), fruits, vegetables and flowers, plantation crops (coffee, tea, cocoa, rubber), etc. Agricultural yield is the quantity of a crop produced on one unit of land.

TABLE-5
COMPOUND GROWTH RATES OF PRODUCTION AND YIELDS IN INDIA OF SOME
SELECTED CROPS (2000-01 to 2015-16)
 (Based on the estimated year 1981-82=100)
 (in per cent)

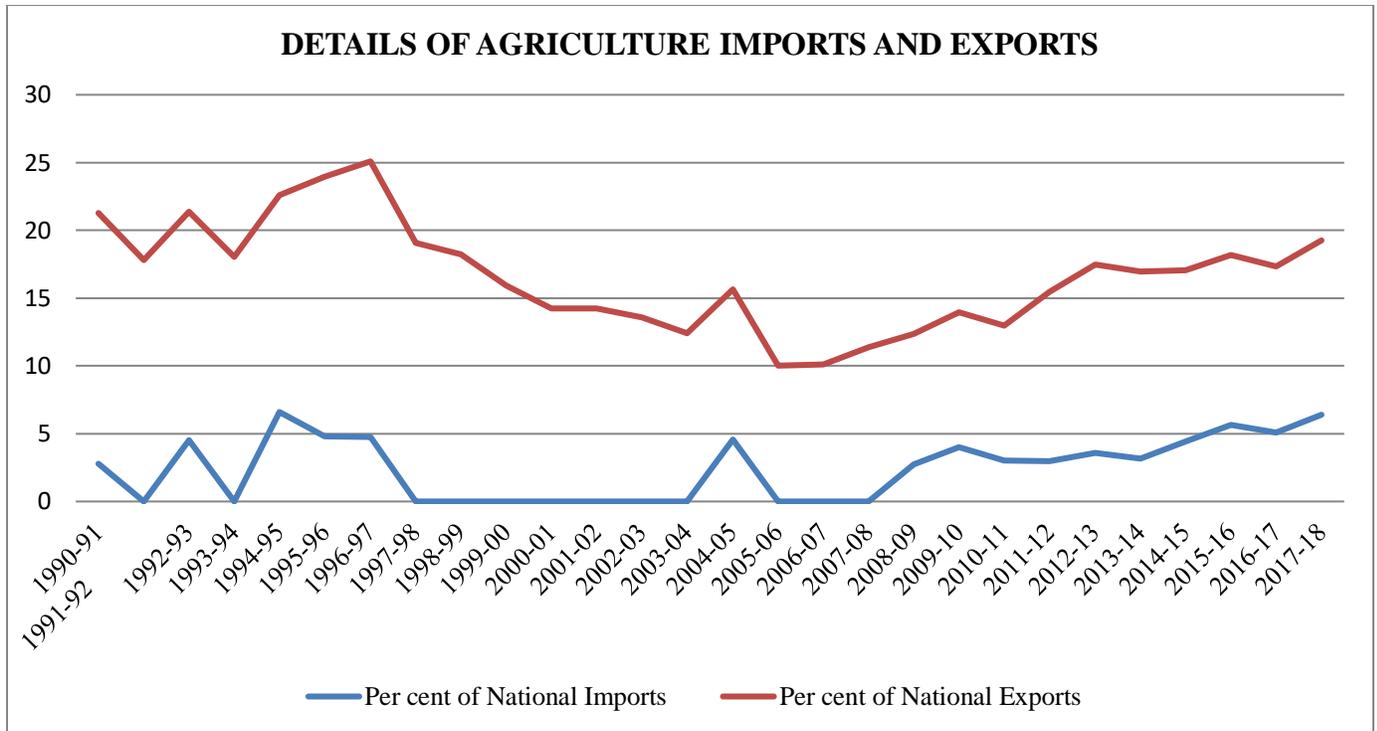
CROPS	2000-2001	2015-16
Rice	1.3	1.5
Wheat	1.8	0.8
Jowar	2.7*	1.5*
Bajra	2.0*	4.2*
Maize	4.6*	2.3*
Total Pulses	2.5	1.1
Total Foodgrains	1.6	1.5
Sugarcane	1.1	0.2
Total Oilseeds	2.0	1.1

Source: Calculation basis of Ministry of Agriculture, Agriculture Statistics (2016)

Table- gives all India compound growth rate of production and yield of crops for the period of 2000-01 to 2015-16. The growth rate of rice production was 1.3 during the period 2000-01. This is clear explaining from above table. Maize, pulses and oil seeds did considerably better during the period of 2000-01 to 2015-16.

DETAILS OF AGRICULTURE IMPORT AND EXPORT INDIA

According to World Trade Organization's (WTO's) Trade Statistics, the share of India's agricultural exports and imports in the world trade in 2014 were 2.46 per cent and 1.46 per cent respectively. Agricultural Sector in India contributes 16 per cent of GDP and 10 per cent of export earnings. GDP of agriculture and allied sectors in India was recorded at US\$ 244.74 billion in FY2016-17. According to the advanced estimates of Ministry of Statistics and Programme Implementation (MOSPI), agriculture and allied sector recorded a Compound Annual Growth Rate (CAGR) rise of 6.64 per cent during FY2007-2016. As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015-16 at 2011-12 prices. India is the largest producer, consumer and exporter of spices and spice products. India's fruit production has grown faster than vegetables, making it the second largest fruit producer in the world. India's horticulture output, comprising fruits, vegetables and spices, is estimated to be 283.4 million tonnes (MT) in 2015-16 after the third advanced estimate. It ranks third in farm and agriculture outputs. Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity.



Source: Ministry of Agriculture (2019)

FIGURE-2

The share of agriculture in India’s total exports has been decreased from 18.49 per cent in 1990-91 to 10.23 per cent in 2008-09. The average share of agriculture exports in the same period was 15.24 per cent. The share of agriculture in India’s total imports has been slightly decreased from 2.79 per cent in 1990-91 to 2.74 per cent in 2008-09. The average share of agriculture imports in the same period was 4.85 per cent. Thus, the average share of India’s agriculture exports(15.24 per cent) was more than the average share of agriculture imports (4.85 per cent) from 1990-91 to 2008-09. This is a good sign, but the decrease of agriculture exports is not good for the economy.

CONCLUSION

The liberalization, privatization and globalization policies adopted by Indian government has played a dominant role in development of agriculture in India. But the main problem is that the basic issues of rural poverty, corruption, still remain and are in fact, getting worse in some aspects. In the long run globalization is going to play key role in development and advancement in the field of agriculture resulting in all the fields directly or indirectly getting the benefit from it. India is getting a global recognition and slowly moving towards to become a major economic and political strength. It is a common belief that globalization plays a role just at international levels of trade and commerce but the fact is that it has played an important role in making our lives much more comfortable too. Indian agricultural markets are likely to get affected through various re-adjustments in the output-vector as it exists before and after trade liberalization both at global and Indian borders. India in which it chooses or chooses not to liberalize its own markets to provide market access. Nevertheless, food security issues must be kept in view during the process of liberalization of trade in agriculture. While complete global agricultural trade would raise global welfare along with rise in welfare of most of the countries/regions of the world, it may affect farmers in these countries/regions in different ways. The resources would get re-

allocated with obvious consequence of creating gainers and losers in the process. While it is important for India and its allies to use much of their bargaining capital in getting ‘market access’ into the high-income country markets, it is simultaneously important to get ‘domestic and export subsidies’ of the high-income countries eliminated.

RECOMMENDATIONS

Streamline and clarify trade policy roles and responsibilities across the different ministries and agencies to iron out inconsistencies and simplify procedures.

Reform state trading enterprises where they exist and make room for private sector actors.

Reduce tariffs and relax the other restrictions on imports which are applied from time to time with a view to creating a more open and predictable import regime.

Move away from the use of export restrictions in order to create a stable and predictable market environment, within which farmers and private traders will be willing to invest in the supply chains needed to ensure that India is a competitive, reliable exporter of agricultural products.

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