**Discuss distress in farm sector**

**Introduction**

Achieving increased social welfare and well-being of the people is the ultimate objective of development planning. Despite more than six decades of planned economic development, a large part of the population in India is still excluded from the share of economic development. This includes landless agricultural labourers, marginal farmers and socially backward people, among others. The poor performance of the agricultural sector, which provides livelihood to the half of the Indian population, has raised the question of food security.

The growth crisis in Indian agriculture and its impact on the wider economy have also been studied by a number of researchers. The general view is that the coexistence of high rate of growth of the whole economy and lack of reasonable growth in the agricultural sector may have led to prominence of income inequality in India

**Distress in farm sector**

The gap between the growth of agriculture and non-agriculture sector began to widen since 1981-82, and more particularly since 1996-97, because of acceleration in the growth of industry and services sectors. The mismatch between the share in GDP and share in total employment indicates an ominous sign in so far as the agriculture sector is concerned. With more than 50 percent of the workforce producing only 15 percent of the GDP, the per capita GDP of agricultural workers is less than even one fifth of those in the non-agricultural occupations. There can be no doubt that the increasing gap in the productivity and thus average incomes of workers engaged in agricultural and non-agricultural occupations should be a matter of grave concern for the policy makers in India.

The yields of most of the agricultural product are very low compared to the international standard even after green revolutions which have enabled the country to achieve self sufficiency in foodgrains. India’s yields of cereals are one third of Egypt and less than half of China and about four-fifth of Brazil.

The poor performance in agriculture in the face of a spectacular growth of the overall economy has serious implications. As stated earlier, it has caused to increase disparities between income in agriculture and non-agriculture.

India became self sufficient in food grain production. This has almost eliminated India’s dependence on imports of foodgrain. However, during last few years the agricultural growth rate has even fallen below the population growth rate. Thus, it is obvious that the majority of population dependent on agriculture (more than half of the population) for their livelihood would be in distress.

The agricultural growth depends mainly on the monsoon rainfall, gross cropped area (GCA), irrigation, fertilizer use, prices, technology and rural infrastructure.

Declining trend of prices of agriculture in the international market has been transmitted to the domestic market resulting in deterioration in the terms of trade for agriculture.

main factors responsible for agricultural crisis are deterioration of terms of trade for agriculture, poor progress of irrigation and fertilizer use, decline in supply of electricity to agriculture, decline in net sown area and very poor progress of cropping intensity.

It is now well recognized that the crisis in farm sector has adversely affected the people dependent on it. The growth of employment decelerated from 2.06 per cent per annum during 1983 to 1993-94 to only 1.82 percent per annum during 1993-94 to 2004-05.

Conclusion

The widening gap between the growth of agriculture and non-agriculture sector and the mismatch between their share in GDP and share in total employment has posed a structural problem that needs to be addressed immediately.

References

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