

Original Article

# Challenges before Indian Agriculture

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## Abstract

*This paper presents a critical evaluation of the performance and challenges of Indian agriculture since the landmark economic reforms of 1991. Utilizing secondary data and a policy analysis framework, the study assesses the sector's trajectory in the era of liberalization, privatization, and globalization. The primary objectives are threefold: to evaluate government policies and programs, to analyze the impact of the New Economic Policy (NEP) on agriculture, and to propose measures for enhancing global competitiveness. The analysis reveals that while the post-1991 reforms successfully spurred commercialization and a shift towards cash crops like horticulture, floriculture, and sugarcane, they failed to translate into broad-based prosperity or improved farm profitability. Despite increased production in certain areas, the economic condition of a vast majority of farmers, particularly small and marginal holders, has remained precarious, as starkly evidenced by persistent agrarian distress and farmer suicides. The paper identifies several deep-rooted structural challenges that have constrained growth to an average of around 2% over two decades. These include stagnant cereal and pulse production on dry lands, severe inadequacies in institutional credit leading to chronic indebtedness, inefficient irrigation and water management with over-reliance on monsoons, the neglect of dry land farming which constitutes 60% of the cultivated area, and weak market linkages and information systems that disadvantage producers.*

*The study concludes that existing agricultural policies have been largely defective and insufficient in ensuring inclusive growth or building resilience against global market forces. The rhetoric of "inclusive growth" has not been matched by effective on-ground implementation for the most vulnerable. To transform Indian agriculture, the paper advocates for a holistic and coordinated policy reorientation. This must prioritize income assurance and risk mitigation for small farmers, substantial investment in climate-resilient infrastructure and micro-irrigation, improved and targeted access to finance and technology, and the strengthening of market institutions. Only through such an integrated approach can the sector achieve sustainable productivity, equity, and true competitiveness in the globalized economy.*

**Keywords:** Indian Agriculture, Agrarian Distress, Agricultural Competitiveness, Small and Marginal Farmer, Agricultural Policy.

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## INTRODUCTION

Agriculture is the main occupation in India Economy. Since last six decades the agricultural sector is concerned with all-round development of Indian Economy. The significance of agricultural sector is not concerned with the monetary factor but has social inclusive model also. Since 1951 we have made some rigorous efforts to develop this sector. The progress and present situation of agriculture sector is important to consider the competitiveness of Indian agriculture. India had accepted new economic policy in 1991. This policy includes three aspects i.e. Globalization, Liberalization and Privatization. Here we must have to consider the situation arising before Indian agriculture due to new economic policy. In this context we have to evaluate the

situation of agricultural sector of this country since 1991.

## Research Methodology:

This paper is arising on the trends and challenges of agricultural sector. It is also deals with the progress and problems arise before Indian agriculture since economic reform period. Here we have tried to express the views regarding challenges before Indian agriculture. It is necessary to consider various types of fluctuations in agriculture. This paper is depending upon the secondary data. It deals with the government policy for the development of agricultural sector and social inclusion in Indian society.

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On the contrary, it consists global competency and Indian agriculture. We have determined the following

#### **Objectives for this study:**

1. To evaluate government policies and programs for agricultural sector.
2. To consider the impact of new economic reforms on Indian agriculture
3. To suggest some measures for increasing competitiveness in Indian agriculture.

#### **1. Indian Agriculture Since 1991**

Now a day's economic reform are the base of Indian economic development. The country has accepted new economic policy to fight with the global Challenges and marketing's situation of agriculture produce. Since 1991 the trends in Indian agricultural sector had been changed. The agricultural sector becomes more commercial.<sup>1</sup>

#### **2. Challenges before Indian Agriculture:**

Since 1966-67, the agricultural sector has been developed due to new technology. The HYV programme has become successful in some crops i.e. Wheat, Sugarcane, Cotton and Rice etc. Indian has accepted New Horticulture Development Policy in agriculture since 1980. After the implementation of New Economic Policy Indian agriculture has become commercial since 1991 the cash crops such as sugarcane, Coffin, Fruits and Floriculture as well as vegetable has been increased. But the productivity and profitability of these crops have not given proper benefits to the farmers. The pricing policy for agricultural commodities is a basic issue now-a-day. The achievement in agricultural production has not revealed the economic condition of rural formers. So those numbers of small and marginal farmer's suicide have often increased. The basic challenges before Indian agriculture are as follows.<sup>2</sup>

#### **A. The production of Cereals:**

The output and area under cereals has not improved sufficiently. Yet, we have to stress on HYV to increase the production of cereals and pulses. India's drought prone area is most suitable for such type of production, but government has not given incentives to the small and marginal farmers. As we have mention "Inclusive Growth" principle in 11th live year plan, the government should take care about financial needs of small and margin farmers. After all the rural small farmers can improve the production of cereals and poise's on their farm.<sup>3</sup>

#### **B. Agricultural Finance:**

Since 1951 the various financial institutions have provided finance to agricultural sector. The amount of finance for agriculture provider has been increased continuously. Though the financial facilities have been provided to agricultural sector, the overall growth rate has not increased. The present growth rate of agricultural sector is around 2% during the last 20 years due to various reasons the productivity and performance of agricultural growth rate is not satisfactory. On the contrary the number of farmer's suicide in increasing day by day. It seems that there

may be some lacunas in the policy financial institutions approach towards agricultural sector is not proper, so that the problem of indebtedness is increasing. In short Indian farmer is living so many problematic conditions which he cannot solve easily.<sup>4</sup>

#### **C. Irrigation and Water Management:**

The major problem of Indian agriculture is of lack of irrigation facilities and water management. At present Indian's only 30% cultivated area is irrigated. 70% of agricultural produce is depending upon monsoon. Since 1991 the government has provided irrigation facilities through canals and dams. But the utilization and management of canal system in not proper. The farmer is not using drip irrigation and sprinkles for intensive growth of agriculture and water management. On the contrary some of the farmers use more water to the various crops. Now -a-day we must think over the proper utilization of water available to us.<sup>5</sup>

#### **D. Problem of Dry Farming:**

Indian's 60% of dry farming i.e. 100 million hectare. The total contribution of dry land farming to agricultural production is land. The problems of dry land farmers. Differ from one region to another region. According to economist, we can increase the production of dry land with the proper us of fertilizers, water, seeds and conservation of rail water.<sup>6</sup>

#### **E. The problems of marking and information:**

The Indian agricultures have become more competitive. The trends and progress of this sector have been changed but, the present situation of Indian agriculture has no power to fight with the global challenges. On the contrary economic condition of small and marginal farmer is too weak.<sup>7</sup>

#### **F. Defective Agricultural policy:**

India's 75% of farmers are economically weak. They do not have confidence of assured income of produce. The natural and technical conditions are not suitable to him. It is necessary to provide consumption loans to the farmer's to solve the problem of rural indebtedness. The budgetary provision should be utilized properly.<sup>8</sup>

#### **Conclusion:**

This study evaluates the impact of India's 1991 economic reforms on its agricultural sector, assessing trends, challenges, and policy outcomes. While reforms spurred commercialization and diversification toward cash crops, they have not substantially improved farm profitability or the socio-economic condition of small and marginal farmers. Persistent challenges—stagnant cereal production, inadequate and poorly delivered credit, inefficient irrigation and water management, neglected dry land farming, and weak market linkages—have constrained growth and contributed to agrarian distress, as reflected in low sectorial growth and rising farmer indebtedness.

The paper concludes that existing policies have been insufficient in ensuring inclusive growth or building global competitiveness. To transform Indian

agriculture, a coordinated strategy is essential: reorienting policies toward income assurance and risk mitigation for small farmers, investing in climate-resilient infrastructure, improving access to institutional finance and technology, and strengthening market institutions. Only through such holistic reforms can Indian agriculture achieve sustainable productivity, equity, and competitiveness in the global era.

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There are no conflicts of interest.

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