

# Increasing The Contribution Of Agriculture In India's Economy

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by Himanshu Kumar Ojha

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For ages, India's economy under colonial rule remained fundamentally agrarian and about 85 per cent of the country's population earn their livelihood from agriculture. Back in the day, French traveller, Bernier described seventeenth-century Bengal as richer than Egypt due to its abundance of cotton, silks, rice, sugar and butter, but the fall in the contribution of the agri sector in the economy has always been a challenge for every Indian government.

Recently, Union Minister Nitin Gadkari said, "The biggest challenge before the nation at present was to take the contribution of the agriculture sector in the GDP to 22 per cent." In the fiscal year 1950-51 agriculture sector accounted for 55.4 per cent of GDP but due to less emphasis on modernisation and the constant rise of other sectors led to the decline.

According to the estimates, released by the Ministry of Statistics & Programme Implementation (MoSPI), the GVA of agriculture and allied sectors in 2020-21 was 20.1 per cent, it was 19 per cent in 2021-22 and it again came down to 18.3 per cent in 2022-23.

On steady growth of the agriculture sector Amit Sinha, Co-Founder, Unnati Agri said, India is an agriculturally rich country with millions of acres of fertile land and plenty of natural resources. There are many factors affecting agriculture in India including soil, terrain, and topographical location. Agriculture production depends majorly on climate conditions because every crop needs a different temperature/environment to grow.

He added, Infrastructure is quite important in agricultural production as it compensates for the basic necessities of the sector.

"Agriculture provides the majority of chances for livelihood in India and greatly contributes to GDP. It employs more than 60 per cent of the labour force. Agriculture has a significant impact on the Indian economy and society. With an average annual growth rate of 4.6 per cent over the previous six years, India's agriculture sector has experienced rapid expansion and has been resilient in the wake of situations like the Covid Pandemic," said Sandeep Sabharwal, Group CEO, Sohan Lal Commodity Management (SLCM).

On what measures can be taken to increase the contribution of Agriculture in India's GDP Amit Sinha said, to increase output by encouraging the expansion of cropland, altering the output mix, and implementing technical advancements like the use of HYV seeds.

Further, government should encourage more mechanisation and the use of modern techniques. Investments are required in post-harvest infrastructure to improve the earning potential of the farmers. More processing and export orientation should be there. To increase yields, farmers should use innovative technologies like drone spraying. It would reduce expenditure and decrease labour time.

He added, rural development should be broad-based and include small/medium-scale rural industries. Adequate industrial policy is required for the development of such industries.

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