



Agricultural reforms and emerging business opportunities

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Abstract

Most countries have an economy dependent on agriculture either in a small or big way. Before the independence, agriculture in India has faced a lot of fluctuations. Since independence, Indian government has introduced reforms to stabilize and achieve self sufficiency in production. Reforms have empowered the farmers and incentivized them to adopt advanced agricultural techniques. The main objective of the land reform is to establish social equality, increase in crop production, economic development and increase in the standard of living. Few land reforms made by the government after the independence are abolition of intermediaries, tenancy reform, conferment of ownership rights to tenants. Green revolution is another reform in agricultural sector. The Prime Minister Sri Narendra Modi's Pradhan Mantri Fasal Bima Yojana provides crop insurance and Rashtriya Krishi Vikas Yojana scheme's objective is to maximise return to state farmers. NABARD which is the apex body in our country provides various assistance to farmers. There are a number of business opportunities emerging in the modern world in the field of agriculture that helps in promoting economic development of our country.

Keywords: agriculture, reforms, zamindari, business opportunities, economic development, growth, agricultural sectors, farmers, government, emergence, green revolution

Introduction

Most countries have an economy that is dependent on agriculture either in a small or big way. From employment generation to contribution to National Income, agriculture is important. India is once considered as the "Ann Data" of the entire world is struggling even to manage the own demand-supply problem of various agricultural commodities. After independence India felt the need of reforms programme to break the socio-economic structure of rural India, reforms were intended to boost the agricultural productivity by eliminating all elements of exploitation and social injustice. In India agriculture is the mainstay because agriculture sector contributes for about 18 per cent of India's gross domestic product (GDP) and offers employment to 50% of the countries workforce. The 11th Five Year Plan also indicates that agricultural development is an important component of inclusive growth approach. Reforms were introduced in India in a big way in 1991. These reforms were followed by India becoming founder member of WTO in 1994. In this context, paper will provide an overview of the important reforms in agricultural sector and the emerging business opportunities.

Objective

The study is to analyse the agricultural reforms made in India and emerging business opportunities in agricultural field.

Data collected

The study is based on secondary data. It is collected from various journals and websites.

Review of literature

Dr. R. Madhavan and Mrs. P. Shanthi devi (2017) in their paper "Innovation in agri business" stated that the share of agricultural product/ agriculture and allied sector in the countries' Gross Domestic Products which was 51.9% in 1950-1951 has come down to 13.7% in 2012-2013. That contribution is abysmally low for a sector that employs about 50% of the country's population.

Dr. M. Suguna and M. Jayenthi (2017) in their paper titled 'challenges and opportunities in agricultural trade' has concluded that India's agri exports face certain constraints that arise from conflicting domestic policies relating to production, storage, distribution, food security, pricing concerns, etc., unwillingness to decide makes Indian supply sources unreliable. Higher domestic price in comparison to international prices of products of bulk exports commercially less comparative. Market intelligence and creating awareness in international market about quality of product need to be strengthened to boost agricultural exports.

Land reforms

About two third of the population in India is involved in agriculture but the process of development is very slow, even though there are developments in irrigation but farmers still depend on monsoons. Hence Indian agriculture needs some reforms to be made in agriculture for the development as it contributes the major part of GDP. The main objective of the land reform is to establish social equality, increase in crop production, economic development and increase in the

standard of living. Here are few land reforms made by the government after the independence:

- Abolition of intermediaries – zamindari, jagirdars
- Tenancy reforms
- Conferment of ownership rights to tenants

Abolition of intermediaries – zamindari, jagirdars

Within two years of independence, that is 1949, Zamindari abolition bills were introduced in a number of provinces such as Uttar Pradesh, Madhya Pradesh, Bihar, Chennai, Assam, and Bombay with a report of Uttar Pradesh zamindari abolition committee acting as an initial model for many others.

There were two extremes on the eve of independence. On the one extreme there were landless laborers and tenants and on the other end there were big landlords with huge estates. Abolition of Zamindari is the first important step taken by the government after the independence and the abolition had started just before the enactment of Constitution of India. The number of provinces such as united provinces, central provinces had introduced such bills on the basis of a zamindari abolition committee which is led by G.B.PANT. The provinces passed the Zamindari Abolition Acts but all these acts were challenged in the court on account of their constitutional validity. The Supreme Court upheld the rights of Zamindars. To secure the constitutional validity of these state acts, the parliament passed first amendment (1951) within 15 months of enactment of the constitution and second amendment in 1955. By 1956, Zamindari Abolition Act was passed in many provinces.

Due to conferment of land rights, around 30 lakh tenants and share-croppers were able to acquire the ownership rights over a total cultivated area of 62 lakh acres throughout the country due to these acts. On the other hand, the compensation paid to Zamindars was generally small and varied from state to states.

Tenancy Reforms

After the abolition of zamindari system the next major problem was tenancy regulation. Tenancy reform aim at

- Regulation of rent

- Security of tenure

Regulation of rent

The rent paid by the farmers for land during pre-independence was incredibly higher, it was between 35 to 75 percent of gross produce throughout India, with the enactment of tenancy reforms the rent came under regulation which is fairly fixed at 20 to 25 percent of gross produce in all the states except Punjab, Haryana, Jammu and Kashmir, Tamil Nadu and some other parts in Andhra Pradesh, in these states rent payable amounted to 25 to 40 percent depending upon the irrigation facilities.

Security of tenure

Providing security of tenure was the second important reforms brought about during the first three five-year plans via tenancy acts. Legislation for security of tenure had three essential elements:

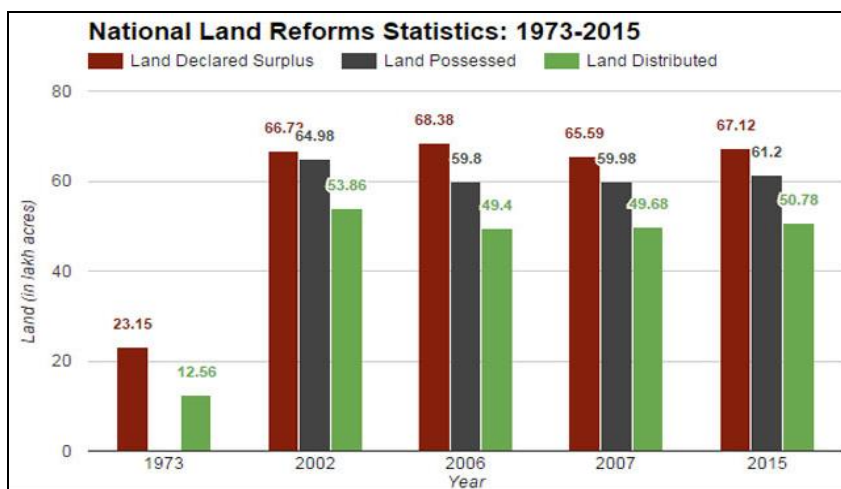
- Ejection could not take place except in accordance with the provision of the law;
- Land could be resumed by an owner, but only for personal cultivation;
- And in the event of resumption, the tenant was assured of a prescribed minimum area.

Tenancy laws were enacted in all states though their implementation varied widely across the states

Conferment of ownership rights to tenants

To reduce the existing disparities in the pattern of land-ownership and make some land available for distribution to landless agricultural workers, the Second Plan (1956-1961) recommended the imposition of ceilings on agricultural holdings.

It was envisaged that land above a certain limit would be acquired by the State declared surplus and the surplus land would be distributed among the landless workers and small farmers so as to meet their hunger for land and, thus, to enable them to create economic holdings.



Source: 1973, 2002, 2007, 2015 (The data for 2006 were sourced from the website of Ministry of Rural Development, Government of India)

Fig 1

Impact of the land reform policy

The aim of the land reform policy was to improve the production and productivity and the distribution of income and asset to achieve the social equality. The major impacts of land reforms are:

- changing over to market economy
- end of feudalism
- growth of agricultural labor
- emergence of modern entrepreneur
- leasing of landowners

Green revolution

Green revolutions is otherwise known as third agricultural revolution refers to the introduction of high yielding variety of seeds and increases the use of fertilizers and make efficient use of irrigation facilities .M.S Swaminathan was popularly known as the “Father of the Green Revolution”. It is introduced in early 1960 and led to an increase in the productivity of food grains especially in the states of Punjab, Haryana and Uttar Pradesh. The three basic elements in the method of green revolution are:

- Continued expansion of farming areas
- Double-cropping existing farmland
- Using seeds with improved genetics

Continued expansion of farming areas

To achieve the state of self-sufficiency the area under cultivation has to be increased since 1947. So, the Green Revolution continued with this quantitative expansion of farmlands.

Double-cropping existing farmland

Double cropping existing farmland is the primary feature of green revolution. Instead of one crop season per year, it is modified as two crop season per year. Hence, it requires two monsoons per year so one will be natural monsoon and the irrigation for other crop will depend on artificial monsoon .the artificial monsoon came in the form of huge irrigation facilities i.e. huge dams were built to arrest the natural monsoon water and simple irrigation techniques were also adopted

Using seeds with improved genetics

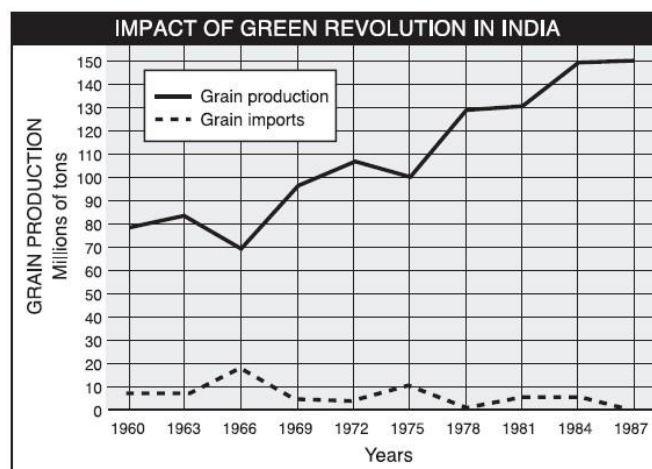
This is known as the scientific aspect of green revolution. The Indian council for agricultural research developed new strains of high yield variety seeds mainly wheat, rice, corn and millet. Use of other inputs such as fertilizers, pesticides also helped in feeding many hunger mouths. This has led to rapid increase in the cereal production and transformed India from a food hungry to self-sufficiency.

Impact of green revolution

Green Revolution has influenced the way of life in India to a great extent as is evident from the following points:

- Increase in agricultural production.
- Increase in per Hectare Yield.
- Change in attitude.
- Enlargement of Production Function.
- Impact on employment.
- Shift from traditional agriculture.

- Significant change in cropping pattern.
- Reduction of import in food grains.



Source: James Killoran et al., *The Key to Understanding Global History*, Jarrett Publishing Co. (adapted)

Fig 2

Pradhan mantri fasal bima yojana

Agriculture in India is highly exposed to risks like failure of monsoon, droughts, and floods so it is necessary for farmers to provide security on their credit eligibility for the upcoming seasons. This scheme otherwise known as prime ministers crop insurance scheme was launched by Shri Narendra Modi on 18 February 2016. This scheme provides coverage on crops from pre sowing to post harvest against non-preventable natural hazards. The premium for insurance coverage has been kept at 2 per cent for Kharif and 1.5 per cent for Rabi crops.

Rashtriya krishi vikas yojana

This is introduced by National Development Council launched in the year of August 2007. It is special assistance scheme under National Agricultural Development Programme. The main aim of the scheme is to resolve agricultural strategies and to meet the needs of the farmers .The main objectives of this plan are:

- To increase State Government public investment in Agriculture.
- To maximize returns to the state farmers in Agricultural and allied sectors.
- Quantifiable changes in the production in Agricultural and allied sectors.
- To check whether the agricultural plans in the states are focused on local needs.

National bank for agriculture and rural development

NABARD is an apex development financial institution headquartered at Mumbai. It is established by Government of India with a mandate for facilitating credit flow for promotion and development of agriculture, cottage and village industries. NABARD is India's specialized bank for agriculture and rural development here are few government sponsored subsidy schemes under NABARD:

- Subsidy for organic farming and production of bio fertilizers

- Long term irrigation fund for farmers to build irrigation canals.
- Centrally sponsored scheme for agricultural and marketing infrastructure upgradation.
- Centrally sponsored scheme for setting up rural godowns and storage infrastructure.

Emerging business opportunities in agriculture

Agro-Farming Blogging

As internet facility is fast spreading, even farmers from the remote village have the ability to access the internet. People having knowledge and expertise in farming related activities worth consider agro farming blogs

Agriculture Consulting

As like other consulting services, agriculture consulting will surely grow in upcoming days. So, people with experience and wide knowledge in a specific field of farming can offer consulting services to farmers and organisations.

E-platform for agricultural products

Prime Minister Shri Narendra Modi will launch e-platform for selling agriculture products which integrates 585 wholesale markets across India. This e-platform will enable to market their products efficiently. The main aim of this e-platform will provide more option to sell their products and it paves a roadmap for doubling income of the farmers by 2022.

Vermi-compost- Organic Fertilizer Production

Vermi-compost organic fertilizer production has now become a major component of agribusiness with low initial investment. An aspiring entrepreneur with wide knowledge on manufacturing process can initiate fertilizer production business. Vermicompost technology is getting increasingly popular among the budding entrepreneurs for the reason that is considered profitable.

Export business

In the recent times, local entrepreneurs collect agricultural products from local farmers. One can start this business from home location having phone and a computer with internet connection.

Bee-wax processing

It is an emerging upcoming business which could provide a worthwhile income. One kilogram of bee wax is worth more than one kilogram of honey. Bee wax is used in the production of cosmetics in pharmaceutical production and in candle making.

Floriculture Business

Flowers are an essential part of celebrations in India. One can start-up selling dried flowers by painting them during the occasions. Nowadays floriculture has become an important commercial trade in agriculture. This business has good export potential in developing countries

Hydroponic Retail Store

A person who has passion on plantation can initiate hydroponic retail store. It is a new plantation technology that

has been increasing in demands over the past decades as a soil-free way of plantation both for commercial and home use. The consumers are becoming concerned over health issues, environmental issues, even water consumption cost and availability and these all are drivers for the increasing demand of hydroponic growing techniques.

Food processing sector

India's food processing sector is poised for growth in response to changing demographics, evolving preferences for branded items, a modernising retail sector, growing consumer acceptance of processed foods and government advocacy to develop food manufacturing. Packaged food sales almost doubled between 2011 and 2015 to \$38 billion and there is opportunity for further growth. While India has an abundant supply of food, the food processing industry is still nascent. At present only 10% of the food produced in India is processed. The Ministry Of Food Processing Industries continues its effort to develop policy to boost food processing and reduce agricultural wastage by 50% by 2022.

Conclusion

Agriculture is the backbone of Indian economy as it supplies raw materials for many of the industries and it is the source of livelihood for majority of the rural population in India. The Government of India has made many reforms and took various measures for improvement in agriculture through various schemes. There has been an innumerable transformation in cultivation practices of crops to suit the demand of the populace. Besides there are number of innovations which were successful in changing the face of Indian Agriculture from near 'sip to mouth' position to the present crowd position of self-sufficiency and earning a sizeable amount of Foreign Exchange from agricultural exports. There are innumerable business opportunities in the field of agriculture which provides for employment for the people and which also constitute towards National Income.

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