



# Impact of globalization on Indian agriculture : An analysis.

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## ABSTRACT :

**GDP Contribution from Agriculture:** As of 2024, agriculture accounts for about 16% of India's total GDP. Nonetheless, it employs about 45% of the workforce, demonstrating a glaring productivity disparity that still poses difficulties for policymakers. Even though total GDP growth slowed to 6.4% in 2024–2025, the farm sector in India is expected to rise 3.8% thanks to a strong monsoon and increased grain output. 60% of the workforce is employed in various agricultural, horticultural, and related industries, making the agriculture sector the backbone of the Indian economy. It makes about 16% of the GDP. One nation with an agrarian economy is India. International integration is referred to as globalization. It encompasses population migrations, the expansion of global trade, the creation of sophisticated communication tools, the internationalization of financial markets, the increasing significance of multinational corporations, and, more generally, the increased mobility of people, capital, products, services, data, and ideas. Through this process, the heterogeneous globe is brought together to form a single society. To put it briefly, it is the transformation of the world into a global village. 60% of Indians are employed in agriculture, although its share fluctuates only from 15 to 20% of the GDP. The growth rate of Indian agriculture increased when globalization was adopted in 1991, yet the current state of farmers' economies is unsatisfactory due to high input costs and low output costs. The agricultural sector's expansion is being hampered by the removal of subsidies. Particularly in a nation like India, the agricultural sector is crucial to the process of economic development. Given this reality, Indian planners have prioritized the growth of the agricultural and related sectors since the inception of the country's economic planning process.

**KEY WORDS:** Globalization, Indian, Agricultural sector, economy, environment, GDP, population, economic development.

## INTRODUCTION :

One of the most significant sectors of the Indian economy is agriculture. More than 151 million people rely on the agriculture industry for jobs and a living. About 60% of Indians are employed in this sector, which accounts for 16% of the country's GDP. The unrestricted flow of people, products, and services across borders is known as globalization. The management of this movement is coordinated and integrated. Additionally, it can be viewed as a plan to open up the world economy and the corresponding increase in commerce. One of the main countries that benefited greatly from the introduction and application of globalization was India. The focus of Indian agriculture shifted from

fundamental consumption to commercialization, and it is closely linked to the global market. Given that India has an agrarian economy, it is critical to understand how the nation's agriculture sector contributes to this process. All trade sectors, including agriculture, saw an increase in demand never seen before as a result of liberalization. This required the Indian government to be pragmatic. Since globalization was advancing everywhere, the government also had to implement reforms in the agricultural sector. It was believed that in order to achieve trade liberalization in the agriculture sector, reforms in agricultural policies were required. Dietary changes, increased imports of food, competitiveness and diversification of domestic production systems, vertical integration of the food supply chain, a notable rise in small and marginal farm holdings, rising global food prices, and rising crude oil prices are some of the changes that raise agricultural costs. Given the significance of the globalization issue, this study offers a succinct summary of the findings about the advantages and disadvantages of globalization for Indian agriculture. An estimated 257.45 LMT of Kharif oilseeds will be produced nationwide in 2024–2025, a 15.83 LMT increase over the number produced the year before. It is projected that Kharif would produce 103.60 LMT of groundnuts and 133.60 LMT of soybeans in 2024–2025. According to the Economic Survey, of India's approximately 56.5 crore workers, over 45% are employed in agriculture, 11.4% in manufacturing, 28.9% in services, and 13.0% in construction.

Literature review :

Nugroho et al. (2021) looked at how agricultural value added in developing countries was impacted by economic globalization and discovered that different countries use different indices to assess how globalization has impacted their own economy. This relates to the numerous positive and negative effects that will result from its implementation, particularly in relation to the agricultural sector. For many developing nations, this sector continues to be their primary source of income. In their 2022 study, Nugroho and Lakner investigated how economic globalization affected agriculture in developing countries: Economic globalization (EG) has been steadily growing in emerging nations over the last 40 years, according to an evaluation. The agriculture sector is not immune to the positive or negative effects that EG may have on a sector.

Objective of the study :

- 1.To Globalization's effects on Indian agriculture .
- 2.To Indian agriculture's problems face globalization.
- 3.To discuss the policy measures and India's agricultural future.

Research Methodology:

The nature of this study is exploratory. It is predicated on secondary sources of information gathered from a variety of reference books, publications, newspapers, and research journals. The researcher has certain observational facts about the research problem to help pace the study.

Discussion :

Impact of globalization -

- 1.Utilizing new technology : To boost food production, more technologies were used, including fertilizers, insecticides, and herbicides, as well as new high-yield crop varieties. These technologies included insecticides, synthetic nitrogen fertilizer, sophisticated irrigation projects, and enhanced crop varieties created using the then-current, conventional, science-based techniques. High Yielding Varieties (HYVs) such as the semi dwarf rice variety

IR8, known as "Miracle Rice," are used. Additionally, IR8 evolved into the semi-dwarf IR36. In the presence of sufficient fertilizer, herbicides, and irrigation, HYVs performed noticeably better than conventional cultivars.

2. A rise in agricultural output and efficiency The Indian economy was impacted by the green revolution in a number of ways. The country's food grain production has increased as a result of the implementation of HYV technology.

3. A rise in the national income : Farmers' agricultural output has increased as a result of India's agricultural products finding a global market. The agricultural produce grew thanks to new technology, seeds, farming methods, etc. From a financial perspective, the agriculture sector accounts for 14.2% of the GDP (2010–11).

4. Growth in Employment : It is essential to classify, standardize, process, pack, and other aspects of agricultural products before exporting them. Employment has increased as a result of the storage of sectors reliant on agriculture. Over 90% of the unorganized labor force in India is employed in agriculture, making it the largest unorganized sector of the economy.

5. Agriculture as a prime moving force : In India, agriculture has a significant impact on both national income and industrial growth. India's national income rises by 0.7% and industrial output by 0.5% for every 1% increase in agricultural growth. Consequently, in 2002, the Indian government declared agriculture to be the main engine of the country's economy.

6) Growth in the trade share : All nations have equal access to possibilities due to WTO conditions, which has led to a rise in agricultural product exports. India's percentage of exports (goods and services) increased from 0.54% in 1990 to 0.67% in 1999, according to data from the World Bank. In the same time frame, Indian exports increased by 103%.

7. A rise in agricultural product exports : International markets offer agricultural products at higher prices than Indian markets. Developed nations would have to raise prices if they cut funding. As a result, exports to the Indian market will rise, and if prices rise, profits will be made. While agricultural imports make up only 2.74% of all imports, agricultural products make up 10.23% of the economy's total export revenue.

8. Poverty reduction : It is also true that the gap between the rich and the poor is often widened as a result of globalization, although this depends on how poverty is viewed. India's primary issue is extreme poverty. It is more deadly than death, and if India works to eradicate it, globalization may hold the cure.

Obstacles Farmers Face because of the Globalization of Agriculture :

1. Cost Unpredictability: Farmers are more vulnerable to fluctuations in commodity prices as a result of their increased integration into global markets. Unpredictable price swings can affect farmers' earnings because of shifts in supply, demand, and trade regulations.

2. Competition from Subsidized Imports: As agricultural trade becomes more liberalized, farmers may have to contend with competition from imports of heavily subsidized agricultural products. When subsidies provided to farmers in wealthy countries lead to artificially low prices, farmers in developing countries may find it difficult to compete. This situation could jeopardize the local agricultural industry's prosperity.

3. Access to Resources: Globalization has increased the concentration of power in the agricultural inputs industry. It could be challenging for farmers to get affordable, high-quality seeds, fertilizer, equipment, and other inputs. Multinational companies controlling the market for agricultural supplies may reduce farmers' options and make them more dependent on a limited number of suppliers.

4. Technological Gap: Although globalization has facilitated the spread of agricultural technology, farmers across different regions continue to differ in terms of technology. Especially in developing countries, small-scale farmers

might not have access to the newest farming supplies, technology, and expertise. The digital revolution may limit their ability to compete and increase production.

5. Environmental Sustainability: Globalization has led to an increase in industrial agriculture methods, which could be harmful to the environment. Deforestation, soil degradation, water pollution, and the widespread use of chemical inputs are some of the problems with the globalized agricultural system.

6. Climate Change and Vulnerability: As a result of climate change, farmers in the worldwide agriculture sector confront significant challenges. Variable weather patterns, extreme events, and changing pest and disease dynamics can all reduce agricultural yield. Due to their frequent lack of resources and resilience, small-scale farmers are particularly susceptible to the consequences of climate change, putting their livelihoods and food security at risk.

Policy measure:

1. Fair Trade regulations: To ensure that farmers have equitable opportunities, governments, especially those in developing countries, can implement fair trade regulations. Acting against unfair trade barriers, market distortions, and subsidies that harm small-scale farmers is part of this.

2. Financial and resource accessibility: Low-cost financing, agricultural technologies, and inputs must be available to farmers. Governments, financial institutions, and development organizations should work together to provide and promote inclusive financial services that are tailored to the unique needs of farmers. This includes input, microfinance programs, and cooperative funding.

3. Extension services and technology transfer: Farmers must have access to sustainable and appropriate agricultural technologies. Small-scale farmers, particularly those in developing countries, should have better access to the right technologies thanks to governments and development organizations. This can be aided by demonstration farms, farmer training programs, extension services, and partnerships with academic institutions. If farmers have access to information and digital tools, they might be better equipped to adopt best practices and make informed decisions.

4. Long-term agricultural sustainability and environmental protection depend on the promotion of sustainable farming practices. Governments, non-governmental organizations, and farmer associations should fund projects that support agroecology, organic farming, conservation agriculture, and integrated pest control.

5. Building Stronger Farmer groups: Improving farmers' voices, bargaining power, and market access requires stronger farmer groups and cooperatives. Governments and development organizations should support farmers' groups in developing their capacity so they can access market data, engage in policy discussions, and work together to negotiate fair prices. By fostering cooperation among themselves and bolstering local value chains, farmers can reduce their dependence on intermediaries and get access to a greater share of the value chain benefits.

6. Climate Resilience and Risk Management: Climate-smart agricultural investments should be given top priority by governments and international organizations, which should also provide farmers with the tools and resources they need to become more climate change resilient. Encouraging climate-adaptive farming practices, supporting early warning and weather forecasting systems.

7. Assistance for Small-Scale Farmers: Small-scale farmers make up a significant portion of the global agricultural population. They should receive specialized support, and policies and programs should prioritize meeting their needs. This entails having access to storage facilities, market information, market expertise, and training in firm administration and entrepreneurship. By strengthening local food systems, promoting direct market links, and expanding their participation in value chains, small-scale farmers can create sustainable livelihoods.

8. Education and Information Exchange: Funding educational and informational opportunities for farmers can enhance their skills, aptitude, and creativity. This entails developing farmer field schools, improving agricultural education, and setting up platforms for farmers to share information.

The following are some 2024 agricultural policies:

**Oilseeds and the National Mission on Edible Oils (NMEO-Oilseeds)** The goal of this project is to make India self-sufficient in edible oils by increasing local oilseed output. It will be put into effect between 2024–2025 and 2030–2031. **Natural Farming National Mission (NMNF)** This plan, which required a total investment of Rs. 2481 crore, was authorized in November 2024. **The 2024 Promotion of Organic Farming Bill** This measure seeks to decrease the use of chemical fertilizers, encourage organic farming, and draw attention to the dangers chemical fertilizers pose to human health. **Budget for Interim 2024–2025** This budget prioritizes raising farmers' incomes, enhancing farmer credit, and fortifying the agricultural value chain. It also covers agricultural insurance, waste minimization, and infrastructure for food processing. **Union Budget for 2024–2025** Plans are included in this budget. Plans to create extensive vegetable production clusters, provide funding for shrimp aquaculture, and issue Kisan Credit Cards based in Jan Samarth are all included in this budget.

India's agricultural future:

Indian agriculture has a bright future. Increased investments in agricultural infrastructure, including irrigation systems, warehousing, and cold storage, are anticipated to improve the momentum of India's agriculture sector during the coming years. The sector's growth would be aided by elements including better port gate administration, lower transaction costs and times, and greater financial incentives. Additionally, Indian farmers will probably see an increase in production due to the increased use of genetically modified crops. Demand will increase quickly, and if we set up the right organizational and incentive structures, Indian farmers won't let us down because they have responded favorably to our helpful policies in the past.

Conclusion :

The explanation above makes it abundantly evident that the Indian government's adoption of globalization policies has had a variety of effects on the country's agricultural industry. On the one hand, it has made Indian agriculture more difficult by exposing domestic agriculture to foreign competition, increasing food imports, increasing the non-agricultural sector and its effect on the demand for agricultural products, increasing the competitiveness and diversification of domestic production systems, increasing the price of food and crude oil globally, which raises agricultural costs, reducing farmer subsidies, and increasing farmer debt, which has led to farmer suicides. However, it has also given Indian agriculture a lot of opportunities, such as increasing agricultural exports and value-added activities using agricultural produce, improving access to both domestic and foreign markets, and improving productive efficiency by guaranteeing the convergence of potential and realized outputs and providing better technology. The results of an analysis that looks at both the positive and bad aspects of globalization, however, will make it abundantly evident that the latter are given more attention than the former. And until there are numerous negative repercussions as well, the favorable benefits cannot support Indian agriculture. The economic process of globalization presents a chance to address the "anti-agriculture" bias in Indian trade policies that date back to the 1950s. This would provide the agriculture sector's "implicit taxation," which is hidden, a chance to react positively to these signals. India, which possesses considerable technical expertise in agriculture, needs to become more independent in its technological capabilities. Furthermore, the nation of function does not have to be the owner of the patents on the technology of multinational corporations. If supply-side obstacles are removed and the impoverished are given some protection, agriculture can continue on a higher growth track, at least temporarily. If this occurs, agriculture may sustainably drive growth in other sectors while fostering connections and interactions amongst people.

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