

Profitability of Agriculture Production in India

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Abstract

Basically India is an agrarian country nearly 70% of the people is directly or indirectly depends on agriculture. An economic development of country is judged on the bases of development in the areas of agriculture, industry and service sector. Among agriculture and industry is played a predominant role in the growth of the country We hear about the agriculture sector brings lowest income as compare to the industry and service sector. Further in the developed countries agriculture as one of the source of income to nation and it also major source of income of the GDP. It shows pull down in the production of crops. At the same time we concentrate on the educated people. Most of the educated people are migrated from village to city, they are lot of knowledge in the field of agriculture but they are not working in the farm. Contract farming is one methods of agriculture. Under this method a contract made in-between the buyer and farm producer. It is an agreement in connection with type of goods produce, price of goods, and quality of goods as specified by the buyer. Farm producer produce the goods according to the needs of buyer and supply on agreed date and specified quality. Under these methods helps to farmer in respect of a quality of goods produce and get reasonable price and it shows profitability of production of agriculture. According to the National Sample Survey, the all-India average monthly surplus over cost per household from agriculture was Rs 3,350. That was a return of 152 percent. The corresponding amount for Punjab was 16,340 a month, or 139 percent of the amount invested. On the basis of actual cost of cultivation of the kharif crop for the three years 2008-2011, a central government agency said cotton gave a surplus of 103 percent over paid out cost and imputed family labour, while that of paddy was 69 percent.

Key Words: Agriculture, Commercialization, Profitability

Introduction:

Basically India is an agrarian country nearly 70% of the people is directly or indirectly depends on agriculture. An economic development of country is judged on the bases of development in the areas of agriculture, industry and service sector. Among agriculture and industry is played a predominant role in the growth of the country. But the problem is peoples are diverting agriculture sector to other sector.

But the service sector occupies more area under growth of the economy. Once we have studied the problems and prospects of the country agriculture is also an important area for contributing the notional income in the economic development. Due to the problems of food security and failure in crops are effects on the economic development of the country. So the farmers faced a problem on how to earn an income on the cultivation of the crops. Now days a biggest problem is farmer

suicide it is directly effect on agriculture sector. Again the question is arise in the minds of the farmer is agriculture a profitable? So in this context the paper attempt to how the agriculture may profitable. Growth of agriculture is judged on the basis of production of agriculture commodities in over time. In economic terms price of the product are changed from different crops. In the Indian context Rice, Wheat, Maize, Ragi and Pulses are the major crops. We observe that 75% of area occupys for cultivation food crops. Among the production Wheat occupys first place in area, production and yield next by Rice, Maize and pulses. Oil seeds, Sugarcane, Cotton, and Jute are the major commercial crops. They contribute much more income to the country and maximize profit to the farmer. Among the plantation crops Tea, Coffee, and Rubber are the important. Among the total area under agriculture only 1% occupys area and contributes much more income to the country.

We hear about the agriculture sector brings lowest income as compare to the industry and service sector. Further in the developed countries agriculture as one of the source of income to nation and it also major source of income of the GDP. It shows pull down in the production of crops. At the same time we concentrate on the educated people. Most of the educated people are migrated from village to city, they are lot of knowledge in the field of agriculture but they are not working in the farm. At the same time we can create awareness about the agriculture activities by making profit, then the village people are engaged in farm activity. Successful stories from Amul-milk model, milk revolution Kerala rubber farm, Harrison

Malayalam Tea etc., are the best examples for helpful to educate for diverting from industries.

Industries are also one of the sources of income to the country. Industries are based on agriculture. Most of the industries need basic raw material from agriculture sector. Like Sugar industries, Jute industries, Cotton industries etc., these are directly depend on agriculture, so agriculture production increased then these industries are earn a steady income. Again the Indian people are the most brilliant people on earth and there is no reason why they cannot equal or exceed any other country in this field. India has somehow in the past decades given short shrift to farming as a profession, but things are changing

Contract farming is one methods of agriculture. Under this method a contract made in-between the buyer and farm producer. It is an agreement in connection with type of goods produce, price of goods, and quality of goods as specified by the buyer. Farm producer produce the goods according to the needs of buyer and supply on agreed date and specified quality. Under these methods helps to farmer in respect of a quality of goods produce and get reasonable price and it shows profitability of production of agriculture.

According to the National Sample Survey, the all-India average monthly surplus over cost per household from agriculture was Rs 3,350. That was a return of 152 percent. The corresponding amount for Punjab was 16,340 a month, or 139 percent of the amount invested. On the basis of actual cost of cultivation of the kharif crop for the three years 2008-2011, a central

government agency said cotton gave a surplus of 103 percent over paid out cost and imputed family labour, while that of paddy was 69 percent. The size of income depends on the extent of land cultivated, the quality of soil, access to irrigation and distance from markets. Agriculture may be profitable, but it is not paying when too many people in a household depend on it; there is not enough to go around. The law of averages catches up because of erratic weather and price slumps.

Objectives:

- 1) To study the role of government in agriculture sector more profitable.
- 2) To understand the need for profitability in agriculture.
- 3) To study the commercialization of Agriculture.
- 4) To identify the 5 Ways Can Make Agriculture Profitable.

Methodology: This study is based on empirical study using empirical evidence. This is based on experimentation on the relevant topic. Sources of the data are collected from many research references. The present study is based on secondary data collected from various magazine and journal.

Role of government to help make the Agricultural sector more profitable.

1. M. Swaminathan commission submitted 5 reports to government and gives suggestive information for the development of agricultural sectors, relating to productivity, profitability and sustainability of the major farming systems.
2. British rule constituted land policies not yet changed in our country. Today the Indian government

(Central or State) acquired the land for various infrastructural and economic growth initiatives. It has often forced by a many small and marginal farmers into a life of poverty and destitute. So the government has played a role in promoting and developing the agricultural sector and inequality of land ownership has increased from the years compared to the past 1991-92. (2011-12) survey gives the total bottom of the households increased by about 2% in the share of land cultivation. Since 1991-92, the share of the bottom half of the rural households in the total land ownership was only 3% and the top 10% was as high as 54%. By 2011-12, the bottom half of households cultivated only 0.4 per cent of total land while the share of land cultivated by the top 10 percent of household increased by about two percent.

3. According to the recent statistical report indicates that there has been a sharp rise in the proportion of rural households but rural people (49%) did not own any kind of cultivated or agricultural land. A result of expansion of rural non farming activities, urbanization, migration and demographic changes. Economic policies of 1990s associated with a reversal of land reforms, continuously decline in public investment for agricultural and incomes, and withdrawal of rural banking.
4. The major drawbacks are lack of competitiveness of farmers relating to produce the goods and avoiding the monopolistic tendencies.

5. Farmer Independence: It is an obligation of the government to declare credit to the farmers. There are so many poor farmers lacking behind finance and facing critical problems. Farmers are attempting suicide and are frightening about their sales. At present credit is available for improved technology like hybrid crops, cross breeds cows etc., crop insurance is covering only 14% of the farmers with reduces losses. Farmers' indebtedness is increasing not only because of farming related expenditure but also because of health care protein-energy, under nutrition, micro nutrient deficiencies, and drug based approach and nutrition support price program and also to continuous the disease.

6. The state governments are providing adequate support to meet the needs of vocational agricultural problems, health, education, drinking water, social security and other production, infrastructure areas. We can overcome from the problems of farmers by promoting sustainable livelihood for the prude by

- a) Financial services
- b) Infrastructure
- c) Investments in human development, agriculture and business development services.
- d) Institutional development services.

7) Employment: In 1961 the workforce in agriculture was 75.9% and the number decreased to 59.9% in 1999-2000. But agriculture provides employment opportunities in the current areas. The report says that the overall employment strategy in India must seek to achieve two

things, Firstly, to create productive employment opportunities and Secondly, improve the quality of employment in several section by paying real wages through improved productivity. Since employment opportunity are decreased in the organized sectors. We have to create a policy environment to enlarge opportunities to avoid an era of jobless.

8) Food security: Agriculture is the backbone of our rural livelihood and our country. But still India is suffering from poverty and malnutrition. It has become a threat to India to manage the causes hungry in our country. So India should retain a commanding position in the management of food security system. They should launch the green revolution to achieve sufficiency in food grains. Hence the nutrition security of farmers-consumption becomes important to achieve the goal of hunger-free India.

Need for Indian agriculture profitable:

Profitability of agriculture depends upon the land usage by the farmers. Minimum 150-200 acre of land is suitable for making profitable in production of food grains. Commercial exploitation of hybrid vigor is the one of the most important application of genetics in agriculture. It will not only contribute to food security, but will also benefit to the environment. It is the basis of billion dollars agribusiness which will generate significant employment opportunities all over the world. Among the various crop species in which hybrid varieties will have used commercially, rice

ranks very high. Rice hybrids were first commercialized in the late 1970s in China. During the past decade, Vietnam, India, the Philippines, Bangladesh and the United States have also begun the commercial production of hybrid rice. Following are the some key points consider for making profitable.

1. In India total area under cultivation is 150 million acre, but the entire land was not covered under irrigated. We assuming that all land are fertile and good, but we can support only 2-3 million farmers for cultivation purpose.

2. To motivate the current farmer for diversifying from existing work to industries or service sector to farm activities.

3. Increase in Productivity and yield are affect on profitability of agriculture, at the same time reduction on cost of production steps are taken by the farmers. By using the HYV of seeds, organic manures are helpful for profitability.

4. There was a need arises in the field of agriculture in respect of vegetable and fruits. These crops are take short period and cost also least it encourages to farmer for profitable.

5. The government of Karnataka has adopted the Bhoochetana project on a large-scale, trying to raise awareness amongst farmers on managing their soils better, paying attention to soil health, so that overall yield enhancements benefit the farmer. Micronutrient application helps increase soil fertility and increases the capacity to keep soil moisture locked. We are finding a difference in the flowers, fruits, buds an yield. The Bhoochetana Programme to rejuvenate soil health, developed by the International Crops

Research Institute for the Semi-Arid Tropics (ICRISAT) here, has entered its third phase in Karnataka, where farmers have reaped huge gains from its adoption. The procedure focuses on rain-fed areas – 70 per cent of Karnataka's cultivable land relies on rainfall for agriculture. Rainwater is held in farm ponds that have plastic sheets laid on their bed, so that the water would not seep into the ground. It is then pumped to farms through the drip irrigation system so that not even a drop is wasted, and the crop gets the required quantity of water at the right time for a better yield.

6. Farmers can adopt Akkadi system of farming. Under this farming farmer can produce more than one type of crop at a same time. It helps to farmer for profitable in agriculture. Farmer can produce twice crop at the same plot at the same time.

7. Recently the government of India introduce Pradhan Mantri Phasal Bhima Yojanaa system of insurance. Under this scheme farmer can save their crop by adopting insurance facility.

Commercialization of Agriculture:

1. To enlarge further encourage in commercialization of agriculture.

2. Considering the agriculture as profession and motivate to the farmers for traditional system to modern system and encourage in agri-business activities.

3. To attract the private investors to invest capital in research and development especially in Irrigation projects, new technology and marketing information to farmers.

4. To create awareness in farmers uses of cultivatable land, uses of fertilizer, organic manures and technology. It shows

increases in yield of food grains. Proper channel of marketing is also help for maximizing profitable.

5. To take safety measures to avoid loss arise due to natural calamities by adopting pilot insurance schemes, Phasal Bhīma yojana and government schemes are adopted by farmers.

Five ways can make Agriculture Profitable:

Indian agriculture is a biggest business sector with nearly 60% of rural people dependent on it. It accounts for 15% of income to national income. The reason for decreasing income in agriculture sector was 263 million people are in rural area, they have not much more knowledge about the cultivation, marketing activities, technology adopted for maximizing production, Lack of knowledge of education. Rural farmers are also facing problems of poverty and also hesitate to adopting new techniques in agriculture production. From the above points we consider the following are some key points help to farmers become agriculture as profitable.

1) Get the market right for leasing land: Make the use of land is an essential component for cultivation of land. Divided farm size make the replacement of human work by machine, Unavailability of cultivating land arise. Between 2000 and 2011 census result shows decrease in 9 million cultivators at the same time increases in agriculture labors about 38 million. Hence it can encourage by budgeting promoting land lease market, which increases the cultivating land and also medium sized firms and great diversification of crops which will leads to higher income.

2) Get the market right for labor, Seed, Irrigation and Fertilizers: Indian farm labors faced with major challenges by a) reducing supply b) Attracting and retaining talented youth in agriculture Continuous employment for rural labor force and increasing labour productivity. Rural wage have vary 16% annually. But increases in wages have not brought any increases in labour productivity. This system needs to focus on special approach. The scarcity in farm labour creates an opportunities encourage younger generation back to farming by authorizing them with new technology and improved practices. That leads to reduce large expenditure on labour.

The fertilizer grant provided by the government has become difficult to industry, tax payers and even for the farmers. Several area plants are shut because the government owes them Rs. 40,000 in which is non paid. Farmers are replacing their fields with supported subsidized areas and financial problems, betting leads to overall increases in continuous rise.

The budget can give “Make in India” “Push fertilizer” by reducing restrictions on area market and providing direct transfer of subsidies to farmer. The exposure of India’s food sector to a bad weather is a result of legacy of bad choice. In India’s farm policies, which have failed to protect the farmers from effect of poor monsoon. As long as scarce of resources such as water and power are priced illegally. Their usage will be inconsistent. Uncontrolled extraction of ground water resources willing to give power subsidies to farmers and the arrival of a more industrial version of farming. Even in India’s non irrigated and rain fed belt has

raised risk levels of farming in these regions. The budget can make a push for more realistic power pricing and incentives for farmers to use micro irrigation rather than flood irrigation. It can also encourage the use of new technologies such as drought resistant, genetically modified crops to drought proof farming in dry regions.

3) Encourage free Trade and an open Market: What to grow and when to sell are two critical business decisions taken by every farmer in many times in a year. In market oriented agriculture means listening to the customer needs through the medium of communication i.e., price signals to be clear. These signals have to free from problems created by government intervention, capitalization – where buyer and seller fix the selling price and unavailable quality. Even the most efficient farm will fail to produce desirable profits. The budget must promote a free national market for agriculture than permit farmers to be consumer focused only free trade. It will promote investment in better quality and variety of crop and its package.

4) Get the market right for finance: Crop should also become a financial asset against a loan taken by a farmer. Flexible warehouse receipt and electronic register for commodities are backed by highly believed and low-cost warehousing network can able to bring lenders closer to farmers by pledging their crops. The budget can re-access the current incentives structure to give warehousing facility that finance to increase right direction.

1. Get the market right for welfare Programs: In overall population more than 60 % population their income less than Rs. 140 per day, no government should avoid the deals from its welfare responsibilities. However, there is no excuse for a runaway from food subsidy bill of Rs. 2.61 lakh crores. That hold back public sector inefficient in the name of poor and skews the markets. The budget should stress the use of JIT electronic auction market to replace the current public system of food grain procurements, storage and distribution. So that it stops hungry as a dark cloud over the open market. So the next budget look upon a freedom and markets, Market oriented agriculture that efficiently meets their nutritional needs of the people of the country.

Conclusion: From the above discussion we clear that agriculture is profitable but the proper utilization of land by farmers is very important. The government already take initiatives in research and innovation in agriculture output, new technology in cultivation, problem solve through insurance scheme and online market information system provided to farmer. The above scheme is utilized by farmer then automatically agriculture can become a profitable and also it is professional. It also helps to government increase national income and avoid the farmer suicide cases,

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