

Role of Agriculture Trade in India

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Abstract

The agriculture sector accounts for the largest share of the Indian economy, regardless of total domestic product or employment. India is an important part of the agricultural industry in the world due to its diverse agro-climatic zones. Export fruits, rice, spices, wheat and other agricultural products to increase foreign exchange and promote rural development. Imports have a domestic market for products that are scarce or not produced locally. Liberalization of trade policies in the 1990s revitalized the agricultural sector and connected Indian farmers to global markets. However, problems such as market access, price volatility and poor infrastructure remain. Food security remains the key policy while supporting exports.

Introduction

In India, the agricultural sector has a huge impact on the economy, influencing rural development, generating foreign exchange earnings and addressing food security issues. This research explores various aspects of the food industry in India, including its development history, laws, opportunities and challenges, and its impact on farmers and the economy as a whole.

Historical Evolution:

India's culture and textile industry are intertwined with its agricultural history. Historically an agricultural country, India is a major exporter of grains, textiles and spices to other countries. But during the British colonial period, the agricultural landscape changed dramatically with the introduction of cash crops and forced labor. India sought to become self-sufficient in food after independence through initiatives such as the Green Revolution in the 1960s. Although this strategy was successful in producing goods, it also had some downsides, such as damage to the environment and dependence on certain crops. The aim of economic reforms in the 1990s was to increase trade and create new channels for the exchange of agricultural products.

Policy Framework:

The growth of the agricultural industry in India has been driven by policy decisions, including liberalization in the 1990s, which eliminated trade barriers and encouraged trade with different countries. Implement export promotion plans to increase international market competitiveness. The Minimum Support Payment (MSP) mechanism ensures a minimum price for farmers' produce but has been criticized for being inefficient in the market. As a member of the WTO, India's agricultural policy is

influenced by international agreements that affect trade tariffs, subsidies and trade as a whole.

Challenges:

The Indian agriculture industry faces many challenges such as land degradation, infrastructure constraints, price fluctuations, economic issues and the impact of climate change on financial assistance. Strict regulations, complex export procedures and tax restrictions make it difficult for farmers to enter the international market. International trends, weather conditions and changes in the region influence price changes, which in turn affects the stability and income of farmers. Inadequate infrastructure hinders the movement of agricultural products and increases expenses. Subsidies need to be made effective to prevent overproduction and market distortions. Agricultural productivity and yields are affected by climate change. Finally, productivity can be increased by promoting modern technology and land consolidation.

Opportunities:

There are opportunities for growth and development in India's agricultural industry. These include leveraging e-commerce platforms to connect farmers with consumers, diversifying exports by promoting non-traditional and value-added products, using technology and modern technology to improve products, integration into global value chains to increase competitiveness, and promoting quality certification in line with international standards. The development of e-commerce also allows farmers to communicate directly with consumers, eliminating middlemen and giving them access to major markets. India can also support environmental initiatives, organic farming and sustainable methods to meet the global demand for sustainable products.

Implications for Farmers and the Economy:

Agribusiness is important in India because it creates employment opportunities, increases foreign exchange earnings, supports rural development, maintains food security and facilitates economic exchange. It increases farmers' income by providing access to international markets, improving livelihoods and creating employment. It also strengthens foreign exchange and promotes stable economy. Policies should ensure that trade does not harm the supply and prices of staple foods. It is essential to establish a balance between agricultural exports and domestic food security. International trade encourages the spread of new agricultural practices and encourages the use of agricultural techniques.

Government Initiatives and Interventions:

National Agricultural Export Policy (NAEP), Agricultural Export Zones (AEZ), Pradhan Mantri Kisan Sampada Yojana (PMKSY), E-NAM (National Agriculture Market) and trade agreements with ASEAN, EU and USA are just a few of them. The Indian government has introduced some agricultural marketing measures. AEZ supports export-oriented production groups, PMKSY aims to reduce post-harvest costs and increase the value of agricultural products, and NAEP focuses on diversification, infrastructure development and management reduction.

Challenges in Global Trade Dynamics:

International trade and trade barriers such as agricultural support in rich countries, sanitary and phytosanitary checks in importing countries, and global issues such as the COVID-19 pandemic have affected India's agricultural industry. To address these concerns, employment must be re-created based on diversity and better domestic capacity. Addressing these issues requires lobbying and discussion in international forums.

Future Directions and Recommendations:

Lawmakers should invest in infrastructure, participate in international negotiations to reduce tax barriers, support the use of new technologies, support capital formation for farmers, diversify agricultural exports, allocate R&D resources, promote agricultural security, and ensure uniform policies. in promoting non-traditional and value-added products, enhancing innovation and reducing dependence on a small number of products. Additionally, technology support can increase production. Examples include IoT applications and precision agriculture. Finally, promoting public-private partnerships can help close the gap in trade, technology deployment and infrastructure development, ultimately ensuring the long-term growth and sustainability of agriculture.

Conclusion

Indian agribusiness is a dynamic and ever-changing industry that impacts farmers, rural development and the country's economy as a whole. While there are problems, there are also opportunities to be proactive and creative. The future of the agriculture sector in India will be influenced by a combination of government leadership, technology and policy considerations.

These factors can promote sustainable development, increase farmers' income and improve international competitiveness. In the coming years, India will have to navigate a complex agribusiness environment while balancing interests and obligations around the world. India's economic expansion, rural development and international reputation are influenced by the agricultural industry. Despite the obstacles and controversial issues, it holds great promise for farmers and businesses. National Agriculture Export Policy and Pradhan Mantri Kisan Sampada Yojana are two important strategies to take advantage of these possibilities. A good research report shows the potential of different products and specialties. However, complex issues such as price volatility, market access and globalization require different strategies. To ensure sustainable growth, investment in social policy, technology and infrastructure is essential.
