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Agricultural Statistics of Organic Sector Development in India

Mr. Dhananjay M. Kshirsagar

Department Of Statistics ACS college Lanja Dist. Ratnagiri (Maharashtra) India, Email: dmklanja@gmail.com

***Abstract* – No country has been able to sustain a speedy transition out of poverty without raising productivity in its agricultural sector. Despite this historical role of agriculture in economic development, both the educational and donor communities lost interest within the sector, beginning in the mid-1980s. This was principally owing to low costs in world markets for basic agricultural commodities, caused mostly by the success of the green revolution in Asia. After 20 years of neglect, interest in agriculture is returning. This paper explores the explanations why agriculture is back on the policy agenda for donors & poor countries alike. The foremost necessary reason is new understanding that economic process is that the main vehicle for reducing poverty and that growth within the agricultural sector plays a significant role therein overall growth also as in connecting the poor to growth.**

There is a pointy discussion, however, between "optimists" and "pessimists" over the potential for small-scale agriculture to continue to play these historic roles. In a world of open trade, prepared accessibility of low cost food in world markets, continuing agricultural protection in wealthy countries, and economies of scale in access to food supply chains that are progressively dominated by supermarkets and export consumers, large-scale farms with progressive technology and access to economic infrastructure will push smallholders out of business markets. Consequently, the paper concludes, geographic coverage and operational potency of rural infrastructure, coupled to effective investment in modern agricultural analysis and extension, can verify the longer term role for agriculture in poverty reduction.

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INTRODUCTION

Imagine a vicinity of the world wherever all food and agricultural merchandise were sourced from international markets, and domestic agricultural sectors disappeared. This "world without agriculture" isn't imaginary. For several of the world's poorest countries, particularly in Africa, a future without agriculture is increasingly being urged as the economical path to development. Mark Rosen Zweig, the new Director of Harvard's Center for International Development, asks at the broadest level "Should Africa do any agriculture at all?" (Harvard, 2004, p. 57). Adrian Wood, Chief economist, envisions a "hollowed out" Africa, with most of the population on the coasts where they might more effectively produce factory-made exports (Wood, 2002). Several macro economists, convinced of the facility of speedy economic process to elevate populations out of financial condition, see resources dedicated to slow-growing agriculture as wasted. in a world of ample food provides in world markets (some of it free as food aid) and progressively open borders for trade, what's the role of agriculture in pro-poor growth?

The approach involves architectural transformation wherever agriculture, through higher productivity, provides food, labor, and even savings to the method of urbanization and industry. A dynamic agriculture raises labor productivity in the rural economy, pulls up wages, and bit by bit eliminates the worst dimensions of absolute poverty. Somewhat paradoxically, the method conjointly results in a decline in the relative importance of agriculture to the general economy, as the industrial and repair sectors grow even more rapidly, part through input from a modernizing agriculture and migration of rural employees to urban jobs.

Despite this historical role of agriculture in economic development, both the educational and donor communities lost interest within the sector, beginning in the mid-1980s, largely attributable to low costs in world markets for basic agricultural commodities. Low prices, whereas a boon to poor customers and a significant reason why agricultural growth specifically, and economic process more typically, was thus poor for the overall population, made it arduous to justify policy support for the agricultural sector or new

funding for agricultural projects (World Bank data & Review, 2010).

RURAL DIVERSIFICATION AS THE CONCEPTUAL FRAMEWORK:

In countries where farm sizes are tiny and certain to stay that means for many years as a result of population pressures and insecure property rights, diversification from production of staple grains to higher-valued commodities are the primary step in this method. Successive step will be to maneuver beyond basic goods production so as to access value-added offer chains for the modern retail sector, particularly supermarkets, wherever the value-added comes in the type of quality, timeliness, food safety, and labor standards in production. These are extremely management-intensive factors and should well contribute to economies of scale in production that aren't seen in goods production alone (Timer, 2010; Reardon & Timer).

Table 1: India: Export categories in metric tons (2012)

Export category	Metric tons
Vegetables	700
Coconut oil	15
Herbs	150
Nuts	860
Coffee/Tea	400/200

The next step is that the diversification of the agricultural economy itself, from being primarily driven by its agricultural base to relying more on industrial and service sectors as the base for rural economic process. This step appear possible only population densities allow substantial clusters of activities that go after themselves for inputs and demand for output (Hayami and Kawagoe, 1993; Lanjouw & Lanjouw, 2008). therefore the effectiveness of the model planned by Mellor (1976, 2010) of demand for labor-intensive, rural non-tradable as the vehicle for pro-poor growth, driven by agricultural gain and wages from labor-intensive exports, would appear to be conditional on sensible rural infrastructure and human capital, and therefore appears to be restricted to Asia, elements of coastal and highland continent, and several other countries in Latin America and therefore the Caribbean. At identical time, sensible rural infrastructure reduces the relative importance of non-tradable in native economies and will increase competitive pressures from world markets. It's exactly this tension that raises doubts concerning the longer term potential for agriculture to be a very important driver in poverty reduction, even in rural areas (Data Review, 2009).

AGRICULTURAL REVOLUTION AND ECONOMIC DEVELOPMENT:

The role of agriculture in economic development is difficult and disputed, despite an extended historical literature examining the subject (Johnston & Mellor, 1961; Haymi and Rutan, 1985; Timer, 2010). Part of the dispute stems from the structural transformation itself that could be a general equilibrium method not simply understood from among the agricultural sector (Timer, 1998). Over long historical periods, agriculture's role appears to evolve through four basic stages: the first "Mosher" stage when "getting agriculture moving" is the main policy objective (Mosher, 1966); the "Johnston-Mellor" stage when agriculture contributes to economic process through a range of linkages (Johnston and Mellor, 1961); the "T.W. Schultz" stage once rising agricultural incomes still fall behind those in a very quickly growing non-agricultural economy, causing serious political tensions (Schultz, 1978); and the "D. gale Johnson" stage where labor and financial markets absolutely integrate the agricultural economy into the remainder of the economy (Johnson, 2006; Garder, 2012). These stages were initial planned in Timer (1998) and are developed in the context of newer expertise in the World Bank's latest treatment of the role of agriculture in impoverishment reduction (World Bank, 2009).

Table 2: India: Review of an Organic Farming (2003, 2007 and 2012)

	2003	2007	2012
Organic area	76'000 hectares of cultivated area; ca. 2.4 million hectares wild collection area	455'568 hectares fully converted =0.35 % of the agricultural land	2 million hectares =1.5 % of the agricultural land
Exports from India	730 million Indian Rupees (14 million Euros)	3.5 billion Indian Rupees (54 million Euros)	25 billion Indian Rupees (385 million Euros)
Share of global market		0.2 %	2.5 %
Domestic market		0.9-1.0 billion India Rupees (trade estimate of 15.4 million Euros)	15 billion Indian Rupees (230 million Euros)
Total turnover with organic products (domestic and exports)		4.5 billion Indian Rupees (69 million Euros)	40 billion Indian Rupees (615 million Euros)

HURDLES IN THE ORGANIC FARMING SECTOR (INDIA):

Today, the organic sector lacks credible analysis and development. Some of the major challenges are:

- The got to develop 'Package of Practices' (PoP) for organic strategies of growing crops.

- Organic systems are thriving in numerous components of India for 20 to 25 years currently, however no general analysis has been undertaken to check organic systems with typical farming (in terms of productivity, quality of manufacture and value of cultivation).

- The non-existence of technically developed roaring business models of economic scale within the organic agribusiness sector. Dedicated zones for agribusiness development are required across completely different regions in the country.

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