



AGRIBUSINESS AND CURRENT SITUATION IN INDIA

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ABSTRACT:

Neglecting the class which should be accorded the highest recognition and importance in terms of numerical participation in the Indian economy has diminished the opportunities for progress of the nation. The belief has been that the path of prosperity of India passes through villages and farms, but prosperity stays away from the village and does not reach the farms. The main reason for this is not declared agribusiness industry in India. If agriculture is given the corresponding facility of declared industry then its development can be further improved. The second major influence is that India can play an effective role in bringing its agri-based trade to the international level. Therefore, this paper mainly analyzes what kind of plans and policies India is formulating to strengthen its international cooperation with the Indian agricultural system? At the same time, it has been mentioned how India views international trade, especially exports, as the main driving force of economic growth from the agricultural system as this sector acts as a catalyst especially for foreign exchange and national income. May also be the main source of. Example: India is one of the G-20 economy producing agricultural country. At the same time, India is emerging as a major agricultural exporter of many of countries.

Key words: - *Agribusiness, Export, Import Trade*

INTRODUCTION:

Agriculture is the primary source of livelihood for about 58% of India's population. Gross Value Added by agriculture, forestry, and fishing was estimated at Rs. 19.48 lakh crore (US\$ 276.37 billion) in FY20. Share of agriculture and allied sectors in gross value added (GVA) of India at current prices stood at 17.8 % in FY20. Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

The total agricultural and allied products exports stood at US\$ 41.25 billion in FY21.

What Is Agribusiness?

Agribusiness is the business sector encompassing farming and farming-related commercial activities. It involves all the steps required to send an agricultural good to market, namely production, processing, and distribution. This industry is an important component of the economy in countries with arable land since agricultural products can be exported.

Agribusiness treats the different aspects of raising agricultural products as an integrated system. Farmers raise animals and harvest fruits and vegetables with the help of sophisticated harvesting techniques, including the use of GPS to direct operations. Manufacturers develop increasingly efficient machines that can drive themselves. Processing plants determine the best way to clean and package livestock for shipping. While each subset of the industry is unlikely to interact

directly with the consumer, each is focused on operating efficiently in order to keep prices reasonable.

KEY TAKEAWAYS:

- Agribusiness is a combination of the words "agriculture" and "business" and refers to any business related to farming and farming-related commercial activities.
- Agribusiness involves all the steps required to send an agricultural good to market, namely production, processing, and distribution.
- Companies in the agribusiness industry encompass all aspects of food production.
- Climate change has placed intensifying pressure on many companies in the agribusiness industry to successfully adapt to the large-scale shifts in weather patterns.

Understanding Agribusiness:

Market forces have a significant impact on the agribusiness sector, as do natural forces, such as changes in the earth's climate.

- Changes in consumer taste alter what products are grown and raised. For example, a shift in consumer tastes away from red meat may cause demand—and therefore prices—for beef to fall, while increased demand for produce may shift the mix of fruits and vegetables that farmers raise. Businesses unable to rapidly change in accordance with domestic demand may look to export their products abroad. If that fails, they may not be able to compete and remain in business.
- Climate change has placed intensifying pressure on many companies in the agribusiness industry to remain relevant, and profitable, while adapting to the threats posed by large-scale shifts in weather patterns.

Agribusiness Challenges:

Countries with farming industries face consistent pressures from global competition. Products such as wheat, corn, and soybeans tend to be similar in different locations, making them commodities. Remaining competitive requires agribusinesses to operate more

efficiently, which can require investments in new technologies, new ways of fertilizing and watering crops, and new ways of connecting to the global market.

Global prices of agricultural products may change rapidly, making production planning a complicated activity. Farmers may also face a reduction in usable land as suburban and urban areas expand into their regions.

Use of New Technology:

The use of new technology is vital to remain competitive in the global agribusiness sector. Farmers need to reduce crop costs and increase yield per square acre to remain competitive.

New drone technology is at the cutting edge of the industry. An article published in 2016 by the Massachusetts Institute of Technology (MIT) identified Six Ways Drones Are Revolutionizing Agriculture. These techniques, including soil and field analysis, planting, and crop monitoring, will be key to improving crop yields and moving the agribusiness sector forward.

Achievements in the sector:

- As of October 27, 2021, the total rabi area stood at 0.53 lakh hectares.
- As per first advance estimates released by the Ministry of Agriculture and Farmers Welfare, record foodgrain production of 150.50 million tonnes is likely in the 2021-22 kharif season.
- As per first advance estimates released by the Ministry of Agriculture and Farmers Welfare, production of rice was estimated at 102.36 million tonnes (MT), while production of food grains was estimated at 144.52 MT in the crop year 2020-21.
- In July 2021, the first commercial consignment of Kashmir's Mishri cherry was shipped to Dubai, paving the way to boost horticulture crop exports.
- In June 2021, India exported 24 metric tonnes of groundnuts to Nepal from West Bengal, boosting groundnut exports from Eastern India.

- In FY21, India exported 1.91 lakh tonnes of banana worth Rs. 619 crore (US\$ 82.90 million).
- Paddy procurement in Kharif Marketing Season (KMS) 2020-21 until January 10, 2020, reached over 534.44 lakh metric tonnes (LMT), an increase of 26.24% against the last year corresponding purchase of 423.35 LMT.
- In November 2020, the planting of winter crops exceeded by 10% compared with the last year and witnessed 28% increase in area under pulses. The total area acreage under pulses increased to 8.25 million hectares from 6.45 million hectares last year.
- Out of the total 37 mega food parks that were sanctioned, 22 mega food parks are operational, as of January 2021.
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