

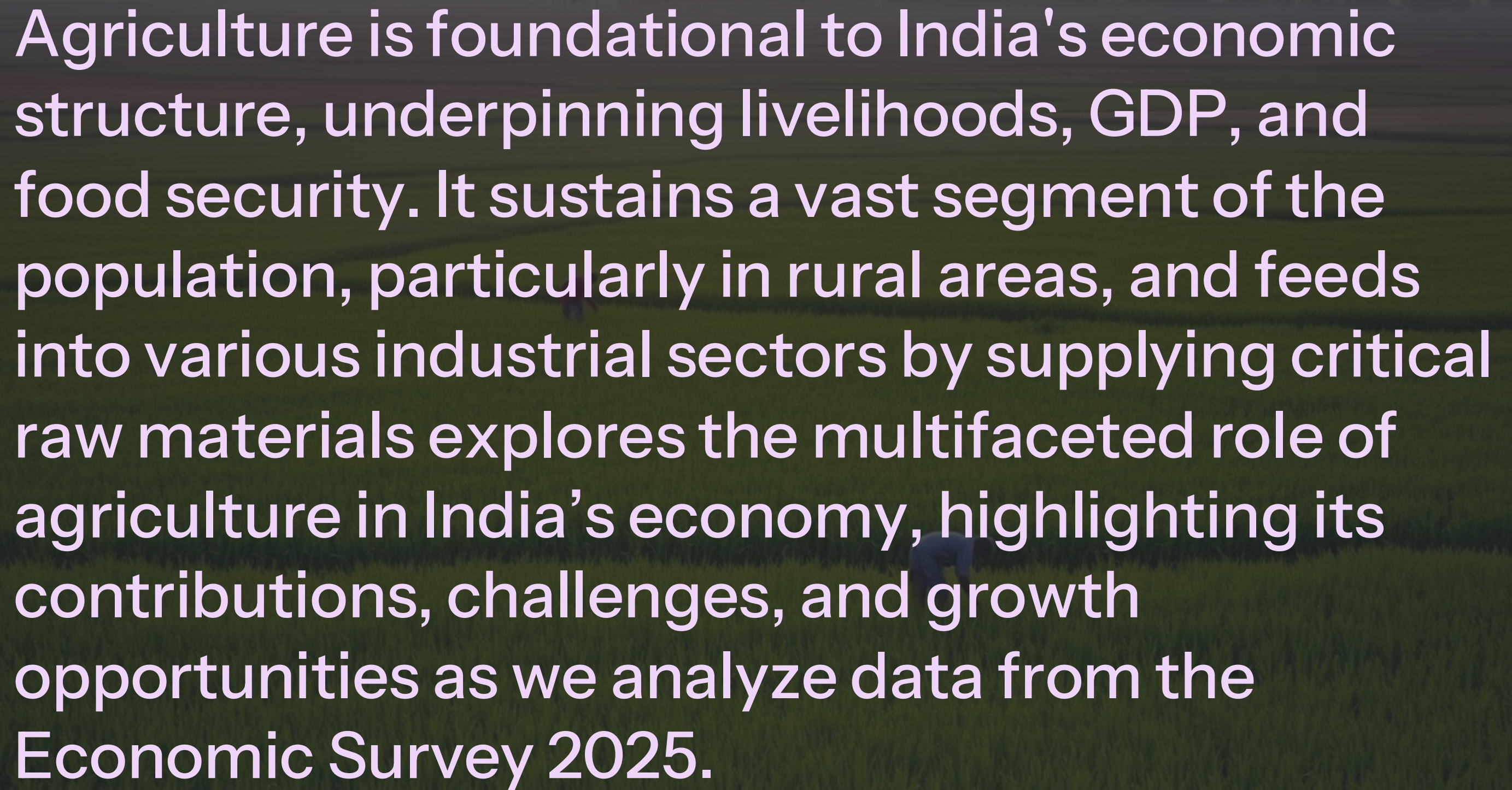
# Agriculture: Backbone of the Indian Economy

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A person is seen working in a lush green field, likely a rice paddy, under a hazy, overcast sky. The person is bent over, engaged in agricultural work. The background shows rolling green hills and a distant horizon.

Agriculture is foundational to India's economic structure, underpinning livelihoods, GDP, and food security. It sustains a vast segment of the population, particularly in rural areas, and feeds into various industrial sectors by supplying critical raw materials explores the multifaceted role of agriculture in India's economy, highlighting its contributions, challenges, and growth opportunities as we analyze data from the Economic Survey 2025.



# Economic Contribution of Agriculture

## GDP Share

Although the share of agriculture in India's GDP has declined over time due to industrialisation, it remains a significant contributor. Agricultural output continues to sustain millions and provide essential inputs to industries like textiles and food processing.

## Employment

As per the Economic Survey 2025, agriculture and allied sectors employ around 46.1% of India's workforce in 2023-24, showing a slight rise from 45.76% the previous year. This underscores its role as a major livelihood source in rural India.

# Livelihoods and Food Security

## Primary Income Source

Agriculture remains the primary income provider for a large section of rural India, forming the backbone of rural economies and contributing to poverty reduction.

## Ensuring Food Security

Food security in India is deeply linked to its agricultural productivity. By ensuring stable and increased foodgrain production, agriculture supports the nutritional needs of the growing population.





# Trade and Agricultural Exports

## Export Significance

India is a major exporter of various agricultural products, contributing significantly to its foreign exchange earnings and global trade presence.

## Key Export Products

Major exports include rice, cotton, spices, sugar, and tea, which also foster rural incomes and industrial linkages.

## Global Market Potential

Opportunities exist for expanding exports through value addition and engaging in emerging markets worldwide.



# Challenges and Opportunities in Indian Agriculture

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## Challenges

- Climate change impacts and unpredictable weather patterns
- Land degradation and declining soil fertility
- Water scarcity and inefficient irrigation

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## Opportunities

- Adoption of sustainable and climate-resilient farming practices
- Diversification into high-value and horticultural crops
- Modern technology adoption including digital tools and precision agriculture





# The Green Revolution and Recent Production Growth

Crop	Production (2024-25)
Kharif Foodgrains	1647.05 LMT
Groundnut	103.60 LMT
Soybean	133.60 LMT
Sugarcane	4399.30 lakh tonnes
Cotton	299.26 lakh bales
Jute and Mesta	84.56 lakh bales

The Green Revolution paved the way for increased productivity since the 1960s. Recent estimates show robust growth in key crops, reinforcing India’s status as an agricultural powerhouse.



# Government Initiatives Supporting Agriculture



## Crop Insurance

Pradhan Mantri Fasal Bima Yojana covers 4 crore farmers protecting against crop failure risks.



## Easy Credit Access

Bank loans for farmers have tripled over a decade, facilitating investments in agriculture.



## e-NAM Platform

A digitised National Agriculture Market empowering around 17 million farmers with better price discovery.

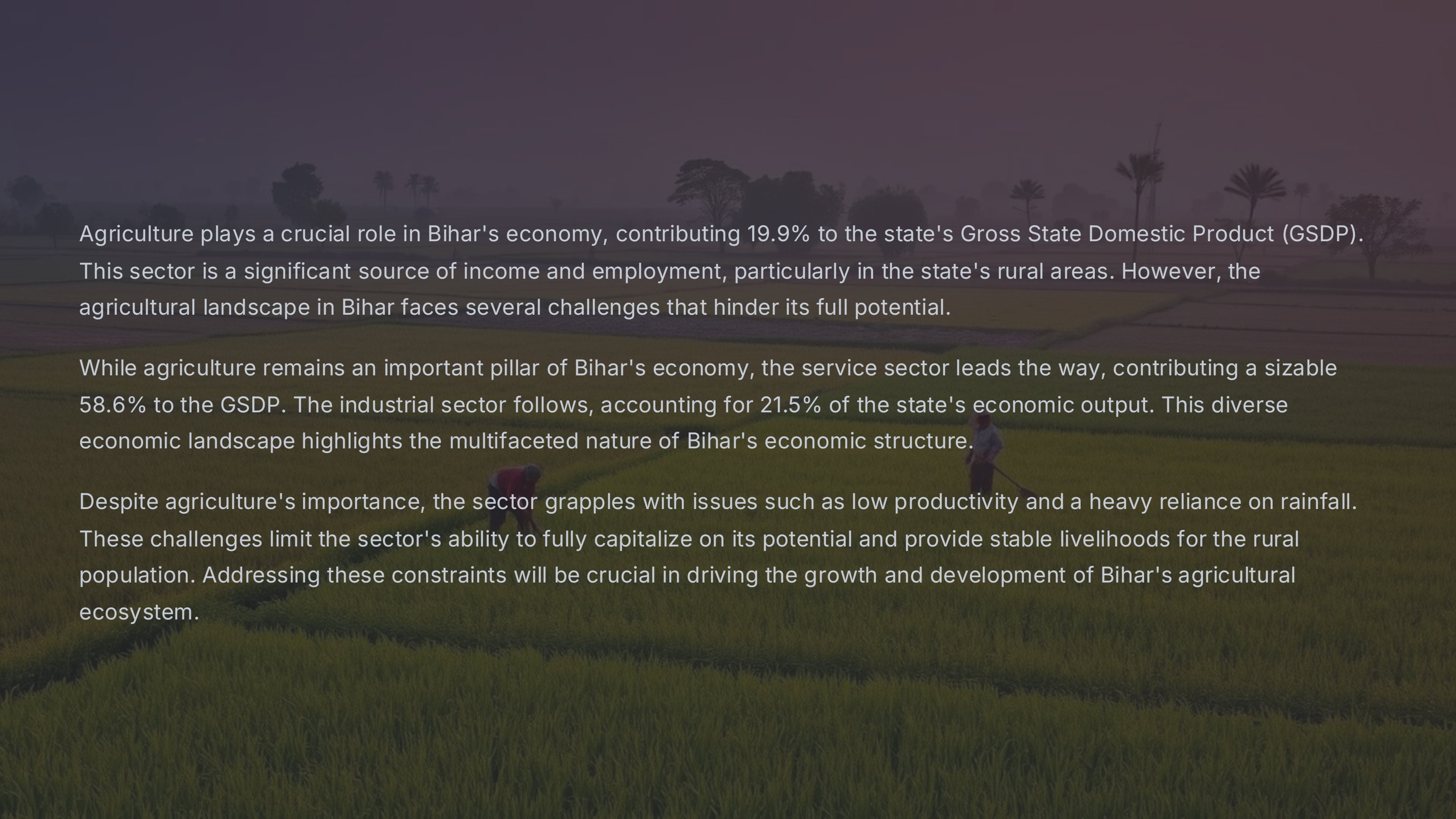


## Minimum Support Price

MSPs declared for 22 crops assure fair prices, stabilising farmers' incomes.







Agriculture plays a crucial role in Bihar's economy, contributing 19.9% to the state's Gross State Domestic Product (GSDP). This sector is a significant source of income and employment, particularly in the state's rural areas. However, the agricultural landscape in Bihar faces several challenges that hinder its full potential.

While agriculture remains an important pillar of Bihar's economy, the service sector leads the way, contributing a sizable 58.6% to the GSDP. The industrial sector follows, accounting for 21.5% of the state's economic output. This diverse economic landscape highlights the multifaceted nature of Bihar's economic structure.

Despite agriculture's importance, the sector grapples with issues such as low productivity and a heavy reliance on rainfall. These challenges limit the sector's ability to fully capitalize on its potential and provide stable livelihoods for the rural population. Addressing these constraints will be crucial in driving the growth and development of Bihar's agricultural ecosystem.



# Contribution to GSDP: Agriculture's share of the GSDP is around 19.9%.

**Employment:** Nearly 75% of Bihar's population is employed in agriculture.

**Challenges:** The state's agriculture faces challenges such as low productivity, dependence on rainfall, and fragmented land ownership.

**Potential for Improvement:** There's potential for increased income through improved irrigation, flood control, drainage schemes, enhanced cropping intensity, and better post-harvest technology.

**Average Income:** The average monthly income of an agricultural household in Bihar was ₹7,542 as of 2022, which is lower than the national average.



# Key Insights on Agriculture in Bihar

## Economic Contribution

Agriculture forms about 19.9% of Bihar's GSDP, a vital income source in rural areas.

Service sector leads with 58.6%, industry at 21.5%.

## Employment and Challenges

- 75% of Bihar's population engaged in agriculture.
- Challenges include low productivity, rainfall dependence, and fragmented land.

## Growth Potential

- Improved irrigation and flood control can boost incomes.
- Increasing cropping intensity and better post-harvest tech are key opportunities.

Average agricultural household income was ₹7,542 in 2022, below national average.

# Conclusion:

while the contribution of agriculture to GDP may be declining, its importance in providing livelihoods, ensuring food security, and supporting other industries remains crucial to India's economic development.

To effectively assist the government in the Indian agriculture sector, focus on supporting initiatives that improve infrastructure, promote sustainable practices, and enhance farmer livelihoods. This can be achieved through various means, including advocating for policies that strengthen markets, improve access to credit and insurance, and encourage the adoption of new technologies.





THANK YOU

