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Revival of Agriculture Sector and Increasing Tenancy in India

Murali D.A.¹¹University of Hyderabad, India

ABSTRACT

Indian agriculture sector has been witnessing phases of growth acceleration and deceleration in the recent past. Two explanations are the policy intervention to initiate growth and changing terms of trade. Due to this, there could be a systematic change in the cropping pattern and tenancy market. Given this, there are two questions the paper would like to raise. One, is the deceleration/revival of agriculture sector crop-specific? Two, does this have any implications on tenancy? Post 1994-95, agriculture witnessed a phase of deceleration followed by revival from 2004-05. In the first phase, the total cropped area and area under food grains had witnessed an absolute decline that might have resulted in the decline in land demand from tenants and increase in share of agriculture labour. The revival of the agrarian sector coincides with a significant revival of the food grain economy and to a lesser extent non-food grain economy. Horticultural crops just maintain its average annual growth rate. With the revival of the food grain economy, there is an increase in the share of tenancy, especially pure tenants. Does this imply that the agrarian sector is divided into food and non-food grain economy? Is growth of the agrarian economy predominantly defined by the growth of food grain sector and the institutional arrangements within agriculture to organise production, like tenancy? There is a need to move on to the high value horticulture sector, but the 'land hunger' of agriculture labour, who access land through tenancy market, is a major constraint.

KEYWORDS Agriculture economics; Economic reforms; Food and Non-Food crops; Tenancy

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