

## IMPACT OF MAKE IN INDIA ON INDIAN AGRICULTURE

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### ABSTRACT :

India's economy is primarily based on agriculture. India has the second-largest agricultural land area in the world, with 157.35 million hectares under cultivation. India is also one of the top fifteen countries in the world for agricultural product exports. India is a country that relies heavily on agriculture because it is the foundation of the country. The goal of the Make in India campaign is to draw in a lot of foreign investment so that India can become a manufacturing powerhouse. Large amounts of foreign direct investment are received by India and used in a variety of productive industries; this has a positive effect on the agriculture sector by funding productive agricultural endeavors. The goal of the study is to outline how Made in India has affected both the Indian economy and agriculture.

**Keywords:** *Make in India, Indian Agriculture, Impact on Agriculture.*

### INTRODUCTION :

It is not surprising that India can benefit from more foreign investment in agriculture given the country's rapidly expanding economy, changing demand patterns, expanding population, and liberalization and globalization. At this time, India's automatic entry route welcomes one hundred percent FDI. The agriculture sector was able to receive an influx of foreigners thanks to floriculture, apiculture, horticulture, and mushroom farming, among other agricultural activities. The good news is that the country's agricultural land can only be purchased by citizens or permanent residents of the country, not by non-Indian nationals or foreign nationals of Indian origin. This will greatly benefit the country's farmers and their ability to make a living off the land. Contract farming and land leasing are two ways the Indian government encourages private companies to get involved in farming as part of the country's National Agricultural Policy. This is to facilitate the rapid transfer of technology, the influx of capital, and the guarantee of a market for agricultural products, particularly oilseeds, cotton, and horticultural crops. Huge investments of over \$10 million were made in 2017 as a result of this push for technology in the agricultural sector.

**Table 1 indicates the list of foreign companies practicing contract forming in India.**

Sl. No.	Company	Operating in	Crop
1	Cargill India Pvt. Ltd.	Madya Pradesh	Wheat, Maize and Soya Bean
2	Hindustan Lever Ltd.	Madya Pradesh	Wheat
3	IRC-IBD	Madya Pradesh	Soya Bean
4	Appachi	Tamil Nadu	Cotton
5	Nestle India Ltd.	Punjab	Milk
6	Pepsi Foods Pvt. Ltd.	Punjab & Tamil Nadu	Chillies, Groundnut, Seaweed, Tomato and Basmati Rice

### REVIEW OF LITERATURE :

Dr. Anjali Chaudhary (2016) elucidated the impact of foreign direct investment on the Indian agricultural sector following the implementation of the Make in India initiative. The author discussed various sectors encompassed by the Make in India initiative that attract foreign investment for development. The sectors include irrigation, transportation infrastructure, housing, water supply, electrification, and telecommunications connectivity. Characterized the international influx in diverse agricultural sectors.

Bharat Ram Dhungana and Rabindra Ghimire (2013) emphasized the impact of foreign direct investment (FDI) on Indian agriculture, focusing on sectors that attract significant foreign capital and the countries that invest the most in both agricultural and other sectors. The objective of the paper was

to analyze recent trends in foreign direct investment (FDI) and its impact on the agricultural sector within the Indian economy.

Rajender S. Godara and Rohtas (2019) focused on the inflows of foreign capital. Foreign Direct Investment (FDI) of up to three hundred percent is permitted for seed development and production, cultivation of vegetables and mushrooms under controlled conditions, and animal husbandry. Investing in agricultural infrastructure could significantly reduce losses associated with perishable produce, thereby enhancing farmers' income.

Violet Glady (2019) Agricultural investment can be categorized as either private or public, and as foreign or domestic. Numerous researchers have demonstrated favorable outcomes associated with advancing foreign direct investment across various sectors. National savings are insufficient to meet the increasing demands of the economy; therefore, foreign direct investment is an essential element for advancing agriculture and other sectors. Farmers in India are experiencing significant challenges due to insufficient funding, inequitable subsidy distribution, exorbitant interest rates, outdated technology, conventional farming practices, inadequate crop rotation, monsoon failures, and natural disasters.

Sandeep Kumar and Kavita (2014) The Indian Government has implemented various measures to attract increased foreign direct investment (FDI), including technological advancement, access to global managerial expertise, optimal utilization of human and natural resources, enhancing the international competitiveness of Indian industry, opening export markets, and facilitating backward and forward linkages, as well as access to international quality goods and services.

Mr. Sumit Saini and Komal (2019) India's agricultural imports decreased from Rs. 1,64,726 crores in 2016-17 to Rs. 1,52,061 crores in 2017-18, reflecting a decline of approximately 7.66%. The decline in the value of agricultural imports during this period was primarily due to imports of wheat, pulses, and sugar. The proportion of agricultural imports within total imports was 5.08% in 2017-18.

#### **RESEARCH METHODOLOGY :**

The study is descriptive, aiming to elucidate the impact of Make in India and Foreign Direct Investment on Indian agriculture and the development of the agricultural sector. The research is conducted exclusively with secondary data. The secondary data were obtained from diverse research papers, articles, magazines, books, and online sources.

#### **Government of India Initiatives towards Indian Agriculture through Make in India**

Government of India has formulated an act in favour and support of Indian agriculture. **The Forming**

#### **PRODUCE TRADE AND COMMERCE ACT-2020:**

The Farming Produce Trade and Commerce (Promotion and Facilitation) Act 2020 is one of three significant Acts that have supplanted the Ordinances enacted during the nationwide lockdown prompted by COVID-19. These three Acts collectively aim to effect a transformative change in the agricultural sector and assist in doubling farmers' incomes. The Farming Produce Trade and Commerce (Promotion and Facilitation) Act 2020 seeks to establish an ecosystem that enables farmers and traders to freely choose the sale and purchase of agricultural products beyond traditional marketplaces.

This Act aims to enhance efficient, transparent, and unobstructed trade and commerce of agricultural products.

#### **Highlights of the Act**

- The Act promotes the free trade of farmers' produce by enabling intra-state and inter-state transactions via electronic platforms, thereby extending their reach beyond the limitations imposed by Agricultural Produce Market Committees (APMC markets). Consequently, it fosters increased competition and improved pricing for farmers.
- Electronic trading: It encompasses an electronic transaction platform that facilitates the seamless electronic trading of identified agricultural products.
- The elimination of CESS or levies on sales: Farmers will incur no fees for the sale of their produce, encompassing transportation expenses.

### **Future Prospects of the Act**

1. This Act facilitates the establishment of a "One India, One Agriculture Market" and establishes the groundwork for doubling farmers' income through enhanced competition and free trade.
2. It bolsters the Make in India initiative within the agriculture sector and enhances electronic trading, potentially transforming India into a global manufacturing hub.
3. Promoting contract farming and enhancing farmers' sense of ownership will advance the Hon'ble Prime Minister's vision of Atmanirbhar Bharat.

### **DISCUSSIONS :**

The government intends to enhance the agriculture sector through the Make in India initiative by enacting the Farming Produce Trade and Commerce Act 2020. The act seeks to effect transformative change in the agricultural sector. This legislation permits farmers to engage in the unrestricted trade of agricultural products. The legislation promotes efficient, transparent, and unobstructed trade across the Indian market. Through this act, farmers may sell agricultural produce online independently or by engaging a mediator. Farmers are exempt from paying any cess or additional charges when selling goods. The future objective of this act is to enhance electronic trading in agricultural products, thereby benefiting the Indian agriculture sector. The legislation promotes contract farming and enhances farmers' sense of ownership.

### **CONCLUSION :**

The Indian agricultural system requires transformation, which may be partially achievable through the Make in India initiative. It attracts foreign investment to establish India as a manufacturing hub. To establish India as a manufacturing hub, it is imperative to first strengthen all associated businesses and activities, including agriculture. Therefore, to bolster the agricultural sector, the Government of India is implementing the Farming Produce Trade and Commerce Act. The legislation empowers the Indian agricultural sector to enhance its global standing. The Government of India is providing ₹ 6,000 annually in three instalments to assist farmers in acquiring seeds and fertilizers during ploughing and other agricultural activities. The Government of Karnataka, in conjunction with the central government, is providing ₹ 4,000 annually in two instalments to support agricultural activities.

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