Primary Sector in India, Components, Role, Global Aspects

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The Primary Sector in India is the foundation of the country's economy. It includes all activities that involve extracting and producing raw materials from nature- such as agriculture, forestry, fishing, and mining. These activities form the base for industrial and service sectors. Although its share in India's GDP has declined over time, the primary sector continues to be a major source of employment and a key driver of rural development.

Primary Sector in India

The Primary Sector is one of the three major economic sectors, alongside the Secondary Sector (manufacturing) and Tertiary Sector (services). It deals with natural resources and raw material production.

This sector plays a larger role in developing countries like India compared to developed economies, where it contributes less than 1% to GDP. According to the IMF and CIA World Factbook (2018), India ranks second globally in agricultural output, producing around USD 1.4 trillion (in PPP terms), only behind China at USD 2.1 trillion.

In 2024-25, the primary sector's share in India's Gross Value Added (GVA) was estimated at around 16.4%, while it provided employment to nearly 43.5% of the total workforce (MOSPI data).

Primary Sector Components

The primary sector includes various activities that directly use natural resources. The major components are:

Agriculture and Allied Activities:

- India is among the largest producers of rice, wheat, sugarcane, and cotton in the world.
- The sector also includes horticulture, floriculture, sericulture, and organic farming.
- India is the largest milk producer globally, contributing over 24% of world milk output (FAO, 2023).

Forestry and Logging:

- Forestry involves the management and use of forest resources for timber, fuelwood, bamboo, and medicinal plants.
- Forests cover about 21.7% of India's total geographical area (India State of Forest Report, 2021).

Fishing and Aquaculture:

- India ranks third in global fish production, contributing nearly 8% of global output.
- The fisheries sector supports more than 2.8 crore fishers and fish farmers (Department of Fisheries, 2024).

Mining and Quarrying:

- India produces a wide variety of minerals, including coal, iron ore, bauxite, limestone, and mica.
- The mining sector contributes about 1.97% to India's GDP (2024-25).

Primary Sector Role

Role of the Primary Sector in India's Economy has been discussed below:

- **Source of Livelihood:** Nearly half of India's population depends on agriculture and related activities for their income. The sector is the backbone of rural India.
- **Contribution to GDP:** Though the share has declined from over 50% in 1950–51 to around 19.6% in 2024-25, it remains a crucial contributor to India's growth.
- **Supply of Raw Materials:** Industries like textiles, sugar, paper, and food processing rely on raw materials from the primary sector.
- **Food Security:** The sector ensures the availability of staple foods such as rice, wheat, and pulses for India's large population.
- **Export Earnings:** Agricultural and mineral exports form an important part of India's trade. Products like spices, tea, marine products, and iron ore contribute significantly to foreign exchange earnings.

Primary Sector Global Context

The importance of the primary sector varies globally:

- In developed countries, such as the U.S. and Canada, it contributes less than 1% to GDP.
- In developing nations, such as India and Sub-Saharan African countries, it contributes 15-20% of GDP.

Largest Global Producers (in PPP, IMF 2018):

1. China- USD 2,101 billion
2. India- USD 1,400 billion
3. Indonesia- USD 486 billion

India thus remains a global leader in agricultural and raw material output, largely driven by a massive rural workforce and diverse climatic conditions.

Primary Sector Government Policies

The Government Scheme, Policies and Initiatives supporting the Primary Sector in India are:

Agriculture and Rural Development:

- Pradhan Mantri Krishi Sinchai Yojana (PMKSY): Expands irrigation coverage.
- **PM-Kisan Samman Nidhi**: Direct income support to small farmers.
- Pradhan Mantri Fasal Bima Yojana (PMFBY): Crop insurance against natural disasters.
- National Mission on Sustainable Agriculture (NMSA): Promotes climate-resilient farming.
- Soil Health Card Scheme: Ensures balanced use of fertilizers and improved yields.

Fisheries and Livestock:

- Pradhan Mantri Matsya Sampada Yojana (PMMSY): Enhances fish production and export.
- National Livestock Mission: Boosts productivity and animal healthcare.

Forestry and Mining:

- Green India Mission: Restores degraded forests and increases carbon sinks.
- National Mineral Policy (2019): Encourages sustainable and transparent mining.

Primary Sector Challenges

Various Challenges faced by the Primary Sector in the Indian Economy have been listed below along with their suggested reforms:

Challenge:

- Small and fragmented landholdings
- Dependence on monsoon rainfall
- Low productivity and outdated methods
- Soil degradation and overuse of chemicals
- Market inefficiencies and middlemen
- **Climate change** risks
- Limited rural credit access

- Storage and wastage
- Poor price realization
- Youth migration from farming

Way Forward:

- Promote land consolidation and cooperative farming.
- Expand irrigation and adopt water-saving technologies.
- Encourage mechanization and research-based farming.
- Promote organic farming and soil conservation.
- Strengthen e-NAM and direct farmer-buyer linkages.
- Develop drought- and flood-resistant crop varieties.
- Expand financial inclusion via Kisan Credit Cards.
- Build rural warehouses and cold chain networks.
- Ensure fair Minimum Support Prices (MSP) and better procurement.
- Promote agri-entrepreneurship and rural employment programs.

Primary Sector Future Aspects

The primary sector's future depends on technology, sustainability, and policy integration. India's focus should shift from traditional crop farming to diversified agriculture involving horticulture, dairy, fisheries, and forestry.

Key priorities include:

- Increasing farm income through productivity gains.
- Strengthening value chains and food processing.
- Promoting green and climate-smart agriculture.
- Integrating digital technologies to improve rural market access.
- Ensuring inclusive growth for small and marginal farmers.
- With the right reforms, the sector can become more resilient and globally competitive.

Primary Sector UPSC

The primary sector in India has undergone rapid transformation in recent years due to:

- Mechanization: Use of tractors, harvesters, and drip irrigation.
- Digital Agriculture: Platforms like e-NAM and satellite-based crop monitoring.
- Precision Farming: Data-driven techniques to improve soil and water efficiency.
- Agri-Startups: Innovations in logistics, organic farming, and market linkage.
- However, compared to developed nations, India's use of high-end technology remains limited, leading to productivity gaps.
