



Ukraine-Russia Conflict Opportunities for Indian Agricultural Sector

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Introduction :-

India is basically an agriculturist country. Even after 75 years of independence, more than 70% of the Indian population is directly or indirectly involved in agricultural activities. However, the contribution of agricultural sector to Gross Domestic Product (GDP) of India is approximately 15% only. This has resulted in disguised unemployment in India especially in agricultural sector. The economic condition of Indian farmers is nowhere near that of farmers of developed countries. There are many reasons behind such poor economic condition of Indian farmers viz. less productivity in agricultural produce, number of people employed more than required in the agricultural sector, environmental conditions, less area of available cultivable land per farmer, poor irrigation facilities etc. After the independence India was heavily dependent on foreign countries to fulfill its requirement of basic food grains viz. wheat and rice as most of the food grains were imported from foreign countries like USA, Mexico etc. Even quality of food grains imported was not at par with world standards.

Historical Perspective :-

After the occurrence of Green Revolution in 1966, India became self-sufficient in agricultural production especially in wheat and rice. Subsequently, with the introduction of High Yield Variety Crops (HYVC), India not only became self-dependent to fulfill food grain requirement of its own population but it started exporting the wheat and rice to foreign countries also.

One of the flip-side of this revolution was that it was confined only to specific areas like western Uttar Pradesh, Punjab, Haryana etc. and large parts of the country were deprived of its benefits.

As such many states were using old and traditional practices of farming for agricultural production. Therefore, even after 56 years of Green Revolution the condition of Indian farmers has

not improved much in terms of productivity of food grains and economic prosperity as well. Although India has become self-sufficient in the agricultural production and has been producing huge surplus of wheat, it has not been able to generate revenue through export of food grains like wheat etc. This can be attributed to poor storage and warehouse facilities due to which crops get wasted lying in the open. Despite the scope available in the international market for wheat export, India has not been able to exploit the opportunity of wheat export to the optimum.

Current Scenario of Wheat Production and Export in the World :-

In the wake of recent conflict between Russia and Ukraine, who are among the top 5 wheat exporters in the world, the supply of wheat has been adversely affected around the world. In this scenario, there is ample scope for Indian agriculture sector to fulfil the vacuum created by the aforesaid conflict between two large exporters of wheat.

Figure 1 shows the shares of Russia, Ukraine and India in the wheat export worldwide.

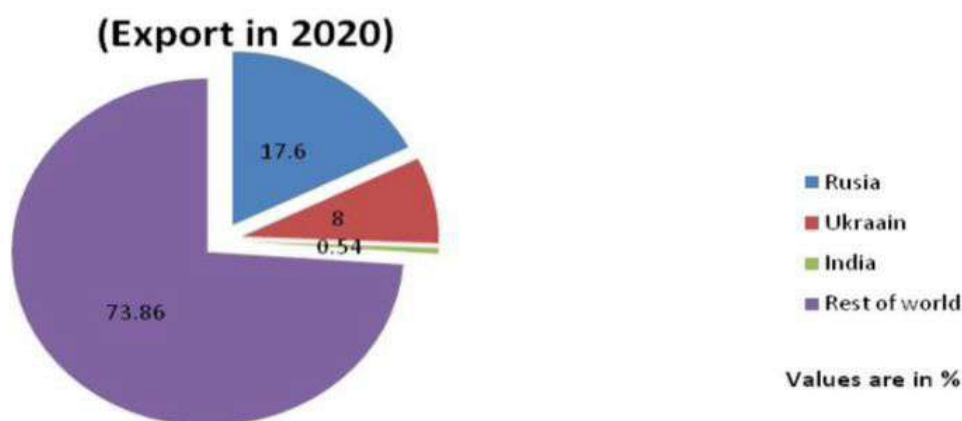


Fig. 1 – Wheat Export in 2020 in the world

It can be seen from the chart that Russia and Ukraine jointly held approximately 6% of share in the wheat export in 2020 worldwide while India contributed only 0.54% of total wheat export.

Brief data showing the production and export of wheat in respect of Russia and Ukraine are shown in Figure 2 and Figure 3 respectively.



Fig. 2 – Wheat production and export by Russia



Fig. 3 – Wheat production and export by Ukraine

Data indicating the wheat production and export in India is shown in Figure⁴.



Fig. 4 – Wheat production and export by India

It can be seen from figure 4 that India has huge potential of exporting the wheat. If India is able to grab the market available due to the vacuum created by war like situation in Europe, it will not only result in the increased export of wheat from India to western market bringing in more foreign reserves but also will improve the economic condition of Indian farmers.

Ever since the conflict arose between Russia and Ukraine, the European countries as well as United States of America imposed sanctions on Russia which severely impacted the supply of wheat both Russia and Ukraine to the rest of European countries and Americas. Here lies the opportunity for India to fill in the vacuum created in the current scenario. This will not only strengthen the Indian

Agricultural sector but also enhance the Indian influence in the world trade. The ongoing situation has great potential to open up a new market for Indian agriculture sector.

Though India has already been occupying strong position in the world politics, the tilt in the agricultural export in favour of India will help it to further strengthen its standing in the geopolitics of the world. The ancient trade and cultural relations of India with Africa, Arab world and West Asian countries like Turkey, Iran, Iraq etc., which are major importers of wheat, can play a significant role in furthering the agricultural trade with these countries.

Opportunities for India :-

India has high prospects of increasing agricultural productivity by properly utilizing its available cultivable land. This is possible, as mentioned earlier, by using High Yielding Variety Seeds, Hi-tech agricultural implements, proper irrigation facilities and good quality fertilizers and pesticides.

If Indian farm sector becomes self-sufficient, it will further open up the doors for agricultural food processing industry. The farmers may be able to divert their resources and income to other allied sectors also viz. food processing industry e.g. processing of various agro-based food products, dairy products etc. Consequently, the contribution of agriculture sector in Indian GDP will also increase. The ongoing policy of economic reforms adopted by the Government could only be achieved, if the agriculture sector grows across all sections of farming and across the length and breadth of country. Growth and prosperity in one part of the country may act as an enabler for other parts of the country also viz. North-Eastern and Southern part of India. Wheat is one of the major crops which can be focused at for high and quality yield for export point of view in the current scenario.

The strength of agriculture sector in India was proven during the COVID-19 when almost each and every sector of economy got a severe hit and was shut down worldwide, India despite providing free ration to large Indian population, was not only able to fulfil its own requirement of agricultural products but was also a major contributor to the world trade by exporting the agricultural products.

Subsequently, growth in agricultural sector will also reduce the farmers' dependency on subsidy provided by the Government which will strengthen the Indian stand in WTO, as there is a conflict between USA and India on the issue of subsidy provided by India to farm sector. India provides the subsidy in the form of minimum support price of ripened crops and fertilizers etc. However, USA provides subsidy during the starting of crop in the form of high yield seed etc.

Sustainable Development Goals (SDGs) were designed for improving the quality of life of people in such a way that resources available on the earth fulfil not only the requirement of current generation but also be preserved for future generations for their utilization. These goals were planned to be achieved between 2015 to 2030. SDG-1 and SDG-2 are meant for poverty eradication and

mitigating hunger respectively. As agriculture directly influences the rural economy where approximately 70% of population resides, proper utilization of agriculture produce will directly impact the rural as well as urban economy, it will help reduce the poverty and mitigate the hunger directly from India and indirectly worldwide while fulfilling the criteria of SDGs.

Women are also involved in large numbers in agricultural sector in India. With the enhancement of yield in agricultural products, India will be able to increase its export. Consequently, the monetary benefits will be passed on to the people involved in agriculture which in turn will enhance the living standards of farmers including women farmers. Thus the women farmers will have a greater say in day-to-day activities due to economic self-dependency which will be a step ahead towards achieving SDG-5 that is about Gender Equality.

Conclusion :-

India has high prospects of increasing agricultural productivity by properly utilizing its available cultivable land. If Indian farm sector becomes self-sufficient, the contribution of agriculture sector in Indian GDP will also increase. The ongoing policy of economic reforms adopted by the Government could only be achieved, if the agriculture sector grows across all sections of farming and across the length and breadth of country. For this India needs to augment its storage facilities of wheat and other crops. India may contribute significantly to eradicating poverty and mitigating hunger from its own land and the world as well. Simultaneously improving the economic conditions of farmers will directly improve the quality of life of the people involved in agriculture sector. Overall it can be concluded that India has a huge opportunity in terms of increasing the production of agricultural products especially wheat and exporting the same due to the vacuum created by the war between Russia and Ukraine.

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