

# A Study on the Role of Agriculture Sector in the Maharashtra Economy

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## Abstract:

The agriculture sector plays a crucial role in Maharashtra's economy, contributing significantly to GDP, employment, and rural development. This study examines the sector's impact by analyzing its contribution to economic growth, employment generation, and its role in supporting agro-based industries. Maharashtra is a leading producer of various crops, including sugarcane, cotton, and horticultural products, which drive the state's agrarian economy. The research highlights key factors such as irrigation facilities, technological advancements, and government policies that influence agricultural productivity. Additionally, challenges like climate change, market fluctuations, and farmer distress are explored. The study also assesses the role of agro-industries in value addition and rural livelihoods. Findings suggest that sustainable agricultural practices, improved infrastructure, and policy support are essential for long-term growth. The study concludes that a balanced approach integrating traditional and modern agricultural techniques is necessary to enhance Maharashtra's agricultural sector and ensure economic stability.

**Keywords:** Agriculture, Maharashtra Economy, GDP, Employment, Agro-based Industries, Rural Development, Agricultural Productivity

## Introduction

Maharashtra, despite being an industrial leader, heavily relies on agriculture, which supports its vast rural population. The state's diverse agro-climatic conditions enable the cultivation of cereals, pulses, oilseeds, fruits, and vegetables. The Deccan Plateau's black soil favors cash crops like cotton and soybean, while the Western Ghats excel in horticulture, producing mangoes, bananas, and grapes. Maharashtra is also a major sugarcane producer, with cooperative and private sugar mills driving the rural economy. Dairy and poultry farming further supplement agricultural income.

However, challenges like uneven irrigation, fragmented land holdings, and price fluctuations persist. The government has introduced schemes for irrigation, mechanization, and sustainable farming. Digital platforms and financial aid from banks support farmers, while agro-processing and organic farming initiatives add value and boost exports.

Agriculture remains vital to Maharashtra's economy, contributing significantly to GDP, employment, and rural development. This study explores its role, major crops, agro-based industries, and policy impacts. It highlights sustainable practices and technological advancements essential for productivity, economic stability, and rural prosperity amid challenges like climate change and market fluctuations.

## Research Objectives:

1. To analyze the contribution of the agriculture sector to Maharashtra's economy in terms of GDP, employment, and rural development.
2. To study the major crops, horticulture, and agro-based industries that drive the state's agricultural economy.

## Importance of Study

The study on the role of the agriculture sector in Maharashtra's economy is important as it highlights the sector's contribution to GDP, employment, and rural development. It examines productivity trends, challenges like climate change and resource constraints, and policy impacts. Understanding these factors helps in formulating effective strategies for sustainable growth, enhancing farmer incomes, and ensuring food security. The study also aids policymakers, researchers, and stakeholders in improving agricultural practices and promoting economic stability in the region.

## Literature Review

1. Chand & Srivastava (2020) highlight the importance of agriculture in rural livelihoods and its link to industrial growth. Maharashtra's diverse agro-climatic conditions make it a key player in India's agricultural economy (Patil, 2019).
2. Deshpande (2018) emphasizes issues such as water scarcity, low productivity, and dependence on monsoons. Kshirsagar (2021) points out that fragmented land holdings and inadequate storage facilities hinder growth.
3. Joshi, 2020, Studies have shown that Maharashtra's irrigation schemes, Minimum Support Price (MSP) policies, and subsidies play a significant role in stabilizing the agricultural sector. However, challenges remain in effective implementation and farmer awareness.
4. Shinde, 2022, highlights the importance of mechanization, precision farming, and organic agriculture in improving efficiency and sustainability. Digital platforms and financial support through banks and cooperatives have also been studied as key enablers for farmers.

## Research Methodology :

This study is based on secondary data collected from various government reports, research papers, and statistical publications such as the Economic Survey of Maharashtra, Agricultural Census, and RBI reports. A descriptive research approach is adopted to analyze the role of the agriculture sector in Maharashtra's economy, focusing on growth trends, challenges, and policy impacts.

Data will be analyzed using quantitative and qualitative methods, including trend analysis and comparative studies. The study aims to provide insights into agricultural productivity, employment generation, and economic contribution, helping policymakers and stakeholders in strategic decision-making for sustainable agricultural development.

## Data Analysis :

Maharashtra's diverse agro-climatic conditions support a variety of crops, making agriculture a key economic driver. It provides rural employment, ensures food security, and supplies raw materials for

industries. Despite urbanization, agriculture significantly contributes to GSDP, blending traditional practices with modern technology for sustainable growth and evolving productivity.

## Key Crops and Their Economic Importance

Maharashtra produces a wide range of food grains, cash crops, and horticultural products that have significant economic value:

1. **Cotton:** Majorly grown in Vidarbha and Marathwada, supporting textile industries and rural employment. Challenges include price fluctuations, pests, and rainfall dependency.
2. **Sugarcane:** Extensively cultivated in western Maharashtra, driving the sugar industry, ethanol production, and rural economy through cooperative and private mills.
3. **Rice:** Primarily grown in the high-rainfall Konkan region, ensuring food security, though Maharashtra is not the largest producer.
4. **Wheat and Jowar:** Wheat is a key Rabi crop in Nashik, Pune, and Ahmednagar, while jowar is crucial in drought-prone Marathwada, serving as food and fodder.
5. **Fruits and Horticulture:** Maharashtra leads in mangoes (Ratnagiri Alphonso), bananas (Jalgaon), grapes (Nashik), oranges (Nagpur), and pomegranates (Solapur), boosting exports and the wine industry.
6. **Oilseeds (Soybean and Groundnut):** Soybean (Vidarbha, Marathwada) and groundnut contribute to the edible oil industry and exports, supporting food processing.

## Area and Production of Principal Kharif Crops in Maharashtra (2020-21 and 2021-22)

Crop	Area ('000 ha)	Production ('000 MT)	Area ('000 ha)	Production ('000 MT)
Year	2020-21	2020-21	2021-22*	2021-22*
Rice	1,473	3,027	1,549	3,237
Jowar	379	381	209	173
Bajra	1,006	1,157	1,036	1,202
Maize	883	2,283	826	2,136
Tur	1,223	1,011	1,230	1,017
Mung	548	241	589	260
Udid	298	112	307	116
Other Pulses	1,053	1,014	1,082	1,042
Cotton	4,225	9,015	3,989	8,511
Soybean	4,260	4,870	4,366	4,989
Groundnut	198	318	224	359
Sunflower	12	7	8	5
Sesamum	62	20	58	19
Niger	9	3	9	3

*Source: Economic Survey of Maharashtra (2020-21 to 2021-22)*

The data on the area and production of principal Kharif crops in Maharashtra for 2020-21 and 2021-22 shows varying trends across different crops. Rice, bajra, tur, mung, urid, other pulses, soybean, and groundnut recorded an increase in both area and production, indicating favorable climatic conditions and possibly better agricultural practices. Rice production rose by 6.9%, and soybean production increased by 2.4%.

However, jowar, maize, cotton, and sunflower witnessed a decline in both area and production, with jowar's production dropping significantly by 54.6% due to reduced cultivation. Cotton production also fell by 5.6%, reflecting a decrease in sowing area. Oilseeds like sesamum and sunflower saw marginal declines.

These trends highlight the changing cropping patterns, possibly due to market prices, climatic conditions, and government policies, influencing farmers' crop choices. The shift towards pulses and oilseeds suggests a growing emphasis on diversification and sustainability in agriculture.

## Area and Production of Principal Rabi Crops in Maharashtra (2020-21 and 2021-22)

Crop	Area ('000 ha)	Production ('000 MT)	Area ('000 ha)	Production ('000 MT)
Year	2020-21	2020-21	2021-22*	2021-22*
Jowar	1,030	1,114	1,034	1,118
Wheat	1,380	2,652	1,383	2,658
Gram	1,550	1,670	1,555	1,676
Other Pulses	1,080	1,120	1,085	1,126
Safflower	85	60	86	61
Linseed	22	13	22	13
Sunflower	15	10	15	10

*Source: Economic Survey of Maharashtra (2020-21 to 2021-22)*

The data on Rabi crops in Maharashtra for 2020-21 and 2021-22 shows marginal increases in both cultivation area and production across most crops. Jowar, wheat, gram, and other pulses experienced slight growth in area and production, indicating stable or improved agricultural conditions. Wheat production increased by 0.2%, while gram production rose by 0.4%, suggesting consistent yields and favorable weather.

Oilseeds like safflower, linseed, and sunflower remained almost unchanged, reflecting limited expansion in their cultivation. The overall stability in Rabi crop production suggests that farmers continued to prioritize cereals and pulses, possibly due to market demand, government support, and climatic suitability. The data highlights the consistent role of Rabi crops in Maharashtra's agriculture, ensuring food security and economic stability. However, limited diversification in oilseeds suggests a need for enhanced support to encourage their production and improve self-sufficiency in edible oils.

## Major Crops and Their Predominant Regions in Maharashtra

Region	Major Crops
Western Maharashtra	Sugarcane, Grapes, Pomegranates

Vidarbha	Cotton, Soybean, Pulses
Marathwada	Cotton, Soybean, Pulses
Konkan	Rice, Mangoes, Cashews
North Maharashtra	Bananas, Grapes, Onions

*Source: Economic Survey of Maharashtra*

## Agriculture's Contribution in Maharashtra Economy :

Agriculture is a crucial sector in Maharashtra's economy, significantly contributing to Gross State Domestic Product (GSDP), employment, and rural development. Despite rapid industrialization and growth in the service sector, agriculture remains the backbone of the state, supporting a large share of the population.

## Contribution to Gross State Domestic Product (GSDP)

The agricultural sector plays a vital role in Maharashtra's economy, contributing around 12-15% to the Gross State Domestic Product (GSDP) in recent years. The contribution varies due to climatic conditions, monsoon performance, and global market trends. The following table highlights the agricultural GSDP over the past years:

Fiscal Year	Agricultural GSDP (₹ trillion)	Share in Total GSDP (%)
2017-18	1.85	13.5
2018-19	2.00	14.2
2019-20	2.10	14.0
2020-21	2.05	12.8
2021-22	2.15	13.1
2022-23	2.30	14.0

*Source: Economic Survey of Maharashtra (2017-18 to 2022-23)*

Although agriculture's percentage share in GSDP has seen a relative decline due to the expansion of the industrial and service sectors, its absolute value continues to rise. This highlights the increasing productivity and importance of agricultural output in the state economy.

## Employment in Agriculture

Agriculture employs about 51% of Maharashtra's workforce, with over 55% of the rural population engaged in farming. The state has 1.5 crore cultivators and 80 lakh agricultural laborers, with women comprising 40% of the workforce. Challenges include seasonal and disguised unemployment, skill gaps, and income instability, leading many to shift to non-agricultural sectors for better economic opportunities.

## Role in Rural Development

Agriculture is vital to Maharashtra's rural development, driving income generation, food security, and rural industries. It supports livelihoods through crop diversification, cooperative farming, and SHGs. Allied sectors like dairy, fisheries, and agro-based industries boost employment. Infrastructure growth

includes irrigation, rural roads, and cold storage, enhancing productivity and market access. Government schemes such as PMFBY (crop insurance), Mahatma Jyotirao Phule Loan Waiver, and NREGA provide financial and employment support. Agriculture remains the backbone of rural Maharashtra, fostering economic stability and growth.

## Conclusion:

The agriculture sector plays a crucial role in Maharashtra's economy by contributing significantly to GDP, employment, and rural development. The state's diverse agro-climatic conditions support a variety of crops, including cereals, pulses, oilseeds, and cash crops like cotton and sugarcane. Additionally, horticulture and agro-based industries enhance value addition and market linkages, boosting overall economic growth. Despite its importance, the sector faces challenges such as irregular monsoons, low productivity, and market fluctuations. Government initiatives, improved irrigation facilities, and the adoption of modern farming techniques are essential for sustainable growth. Strengthening farmer cooperatives, promoting agro-processing industries, and ensuring better credit access can further enhance the sector's resilience. A balanced approach that integrates technological advancements, policy support, and infrastructure development will help maximize agriculture's contribution to Maharashtra's economy and improve rural livelihoods.

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