**For 6th Sem (Paper 6.3/ 2018) Prepared by: Mala Moni Kalita**

**Characteristics of Agriculture Sector of Assam**

***Introduction:*** While most other states in India are gradually moving away from their traditional agriculture-based economy toward industry or service-oriented economy, Assam is still heavily dependent on the agricultural sector. Compared to most other states in India, Assam is considered a less developed state, which depicts a gloomy picture the economic condition of the state given that India is considered a less developed country. As the economic development of the state, particularly in industry or service-oriented areas have been lagging behind due to lack of favourable environment; there are various economic reasons (e.g., fragmented land) responsible for the lagging agricultural sector in the state.

***Importance of Agriculture in the State Economy of Assam:*** Assam's economy is fundamentally based on agriculture. Over 70 percent of the state's population relies on agriculture as farmers, as agricultural laborers, or both for their livelihood. A majority of state's population live in rural areas where the mainstay of business is production agriculture. In terms of the state domestic product (SDP), the agriculture sector contributed a substantial share of the state income over the years.

***Characteristics of Agriculture Sector of Assam:*** In Assam the average size of land holding (including non-cultivable land) per household has been found decreasing. Such fragmentation occurred due to two principal factors: (i) inheritance-related, i.e., breaking down land parcels to distribute among heirs, and (ii) government land reform measures which set the ceiling for land holding per family (50 bighas at present) thereby promoting and facilitating land fragmentation. The small and fragmented land holdings are one of the principal causes of low productivity because such land holdings do not facilitate economic and efficient use of modern technology (e.g., agricultural machinery, chemicals, and hybrid seed). Assam is far behind in the use of modern agricultural technology to improve its agricultural productivity compared to the rest of the country. For example, the agricultural productivity index for Assam has been lowered compared to that for India. Another problem of land fragmentation is the hidden unemployment or underemployment which understates the true unemployment level in the state.

Assam produces both food and cash crops. The principal food crops produced in the state are rice (paddy), maize (corn), pulses, potato, wheat, etc., while the principal cash crops are tea, jute, oilseeds, sugarcane, cotton, and tobacco. Although rice is the most important and staple crop of Assam, its productivity over the years has not increased while other crops have seen a slight rise in both productivity and land acreage. For example, rice yield per hectare has been found increasing over the last few decades and wheat yield jumped almost three-fold from 1970-71 to 1990-91. A similar increase was observed in jute, sugarcane, potato, and rape and mustard.

Tea is the most important cash crop in Assam and the state is well known world-wide for its tea. The total land area under tea cultivation (gardens) was estimated at over 230,000 hectares, employing an average of over half-a-million people per day. In addition, a considerable number of Assam's population depends on secondary and tertiary sectors-related to the tea industry. However, the exploitation of both precious land and labourers (employees) by the tea companies, most of which are either foreign-owned (non-Indian) or owned by Indian conglomerates (e.g., Tata), is well-documented. Such exploitations are going on for decades and even well-documented in the state government's own inquiry reports, the government has failed to take any appropriate action to end such exploitations.

Continuing to rely on the seasonal monsoon for the necessary water for cultivation is another characteristic of farming in Assam. As a result, potential exists for severe crop failure and consequent economic disaster. To avert such possible catastrophe, it will be necessary to equip the state with irrigation facilities, perhaps in selected areas first, due to the cost factor.