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Role of World Trade Organization in Indian Agricultural Production: An Analysis

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ABSTRACT

With the emergence of WTO, the World Trade Organization has been playing a significant Role of in agricultural production during different successive periods in the changing agricultural scenario. The present paper examines the pre and post WTO agricultural production and the impact of WTO on overall Indian agriculture. The paper also highlights some of terms and conditions of international trade, which has been imposed under AoA, Agreement on Agriculture and its impacts on behaviour of agricultural production, taken place during pre and post WTO periods. In order to examine the trend, a cause-effect relationship has been established to changing socio-economic status of the Indian farmers, belonged to different categories of various regions of India.

Key words: WTO, Pre and post WTO period, agricultural production, Agreement On Agriculture, Socio-economic status, Indian farmers.

INRODUCTION:-

The World Trade Organization played a vital role for the trade relation to increase dimension towards globalization for the agriculture, and its changing dimension throughout the world under protective and liberalized policy, particularly for developing countries like India. WTO has enabled a global platform which comes into existence on January 1, 1995 which is comprised of 85 founder member countries, including India WTO deals with agriculture, textiles, clothing, banking and telecommunication government purchases industrial standard and product safety, food sanitation regulation, intellectual property etc. The world trade organization is working on some of the basic principles that are based on the foundation of the multilateral trading system that works under the principles of liberalization. It requires the government to formulate the policies.

The WTO oversees 60 different agreements is having the status of international legal text, inserting 29 legal texts. In order, to encourage the free trade, the plan of Multinational Corporation is having the interest of all the local communities which are working with families and environment, the two has having the systematically mind in democracy around all the world. It is clear that the WTO needs the good opportunities, for the developing countries, like India to grow and realize their export potentials in agreement with a suitable domestic policy that is to be conveyed for their export. World Trade Organization provides a legal framework for

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international Trade of Goods and Services, that helps the member countries in case of any dispute settlement related with trade and also reassure the healthy environment for Trade between the nations, but still there are many issues for under developing member countries that are not satisfied with the negotiations done by World Trade Organization. The developing countries are working together to achieve the common goals and also for the overall economic growth and development of the nation. The main factor to influence the negotiations, policies packages is Agriculture now which is revised by World Trade Organization under the Ministerial Conferences. The WTO has a considerable impact on agricultural production which has taken place during different successive periods. Hence, these trends can be examined by reviewing the absolute and compound growth of agricultural production during pre WTO and post WTO periods. Various rounds of GATT have held during different successive periods.

DOHA ROUND PACKAGE OF AGREEMENT ON AGRICULTURE:-

The Ministerial Conference of 4th WTO was held on Nov. 9-14, 2001 at Doha, Qatar. In this conference, a unique feature was come in to existence. It was AoA, Agreement on Agriculture which was the base of "Development" of the under developed countries so that they could be an integral part of the 2 Article XVII of the GATT 1994 and may deal with "*State Trading Enterprises*" as well as their operations of sixteen "Global trading system" which are to be implemented under multi-lateral MoU. The following 5th Ministerial Conference of WTO held on September 10 to 14, 2003 in Cancun, Mexico. It dedicated to stock taking of progress in negotiations and other work under the Doha Development Agenda (DDA).

However, the DDA required adjusting the disequilibrium penalise the under developed countries and improving the commitment of WTO members. The modalities 3 for the *Doha Round* were completed at the end of April 2006. In this round, the last Ministerial conference was held on December 13-18, 2005 in Hong Kong. It was expected to pave the way for success for the first time; that the developing countries had to manage to get a mention from developed countries of reduction in their subsidies.

OBJECTIVES OF THE STUDY:-

The study is based on the dual objectives which are as follows:

1. To review the impact of AoA, the Agreement on Agriculture of India,
2. To review the pre and post WTO agricultural situation in India.

MATERIAL AND METHODS:-

The study is based on *secondary sources* of data, taken from various reports, published by the ministry of Agriculture from time to times. On the basis of these reports, the absolute and compound growth has been worked out by the researcher. The other sources of information, relating to WTO have been collected from the WTO manuals, published from time to time. All these information has been compiled in accordance with the desired objectives and results. In

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order to highlight the *cause-effect relationships*, various other similar studies have been reviewed in terms of particular factor or factors which have been affecting during pre and post WTO periods on Indian agricultural changing scenario.

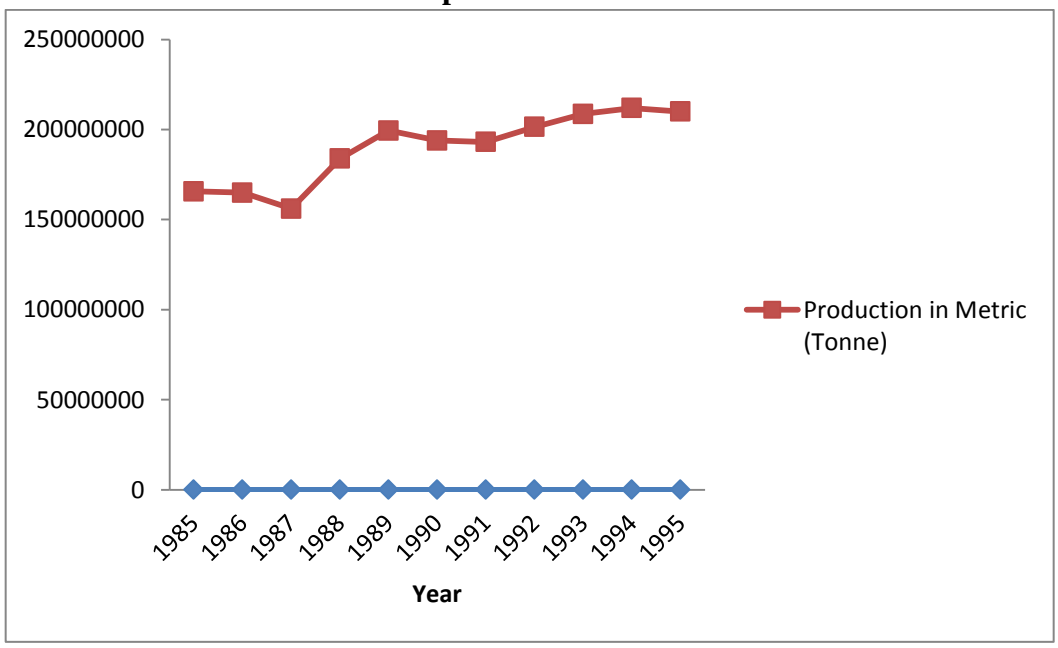
RESULTS AND DISCUSSION:-

Keeping in view the pre-WTO agricultural production situation, a periodic review (1985-1995) has been taken as follows:-

TABLE: 1
Agriculture Production in Cereals (Before WTO)
(1985-1995)

Year	Production in Metric (Tonne)
1985	165,682,196
1986	164,955,216
1987	156,114,500
1988	183,867,008
1989	199,413,216
1990	193,919,312
1991	193,101,196
1992	201,468,404
1993	208,626,900
1994	211,941,400
1995	210,012,500

Source: World Bank Official Report.



Keeping in view the tabulated data we may draw the inferences as follows:

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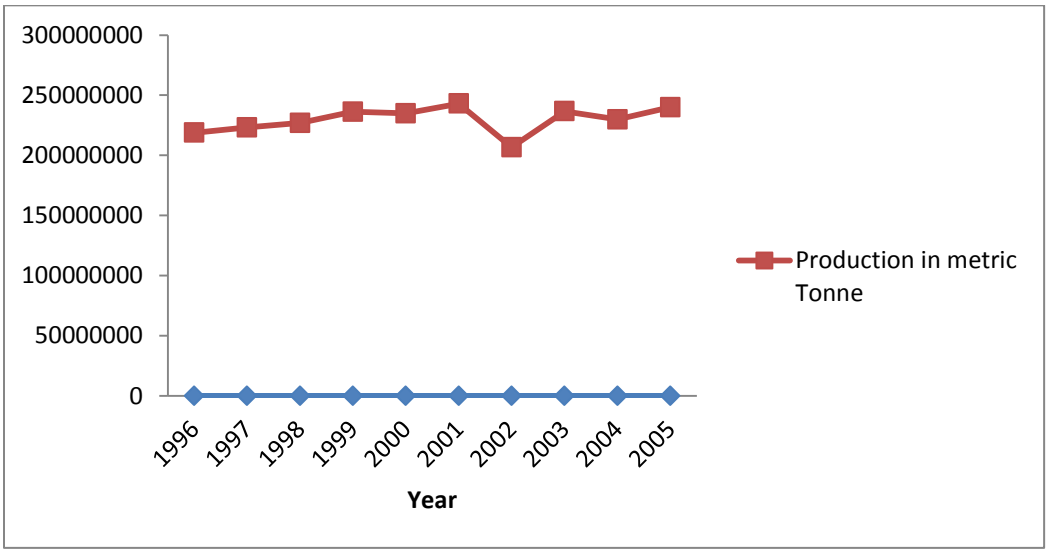
Absolute growth in agricultural production between the year 1987 to 1988 is as follows : 183,867,008-156,114,500 =27,752,508. Hence, absolute growth is = 27752508 / 15611500 =1.777696 x 100= +177.76 % Compound growth is calculated by taking initial year and final year figure of agricultural production, which is as follows:

The figure of 1995 will be subtracted from the agricultural production of 1985, it is therefore it will be as 210,012,500- 165,682,196 =44, 330,304, Thus the Compound growth will be as 44,330,304/ 210,012,500=0.2111 x100=21.11 %. Hence, the compound growth is= + 21.11%

TABLE: 2
POST WTO AGRICULTURAL PRODUCTION SITUATION IN INDIA
(1996-2005)

YEAR	Production Metric Tons
1996	218,750,900
1997	223,232,400
1998	226,877,000
1999	236,205,608
2000	234,931,192
2001	242,963,796
2002	206,636,708
2003	236,592,700
2004	229,845,504
2005	239,997,492

Source: World Bank official Report.



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Keeping in view the periodic figures of agricultural production, during post WTO period, shows a fluctuating trend, since the year 1996 to 2005. The tabulated figures show that there has been steady growth of agricultural production since 1996 to 1999, indicate the growth of + 7.97 has been experienced, but a sudden little bit declining trend of -0.53 % has been experienced between 1999 and 2000. Subsequently, a considerable absolute growth of +34.19 % has been experienced. Further, it has been observed that there was again there was a little growth of 3.4 per cent during the year 2001. Subsequently, in the same way, there has been fluctuating trend of variable production of agriculture during the subsequent years, since the period between the years 2001 to 2005. Hence, it is obvious that the compound growth of agricultural production since the year 1996 to 2005, a growth of + 9.71% has been experienced during 1996 to 2005. It is clear that the compound growth of agricultural production, during different successive years shown a good results. Keeping in view the periodic figures of agricultural production, during post WTO period, shows a fluctuating trend, since the year 1996 to 2005. The tabulated figures show that there has been steady growth of agricultural production since 1996 to 1999, indicate the growth of + 7.97 has been experienced, but a sudden little bit declining trend of -0.53 % has been experienced between 1999 and 2000. Subsequently, a considerable absolute growth of +34.19 % has been experienced.

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TABLE: 3

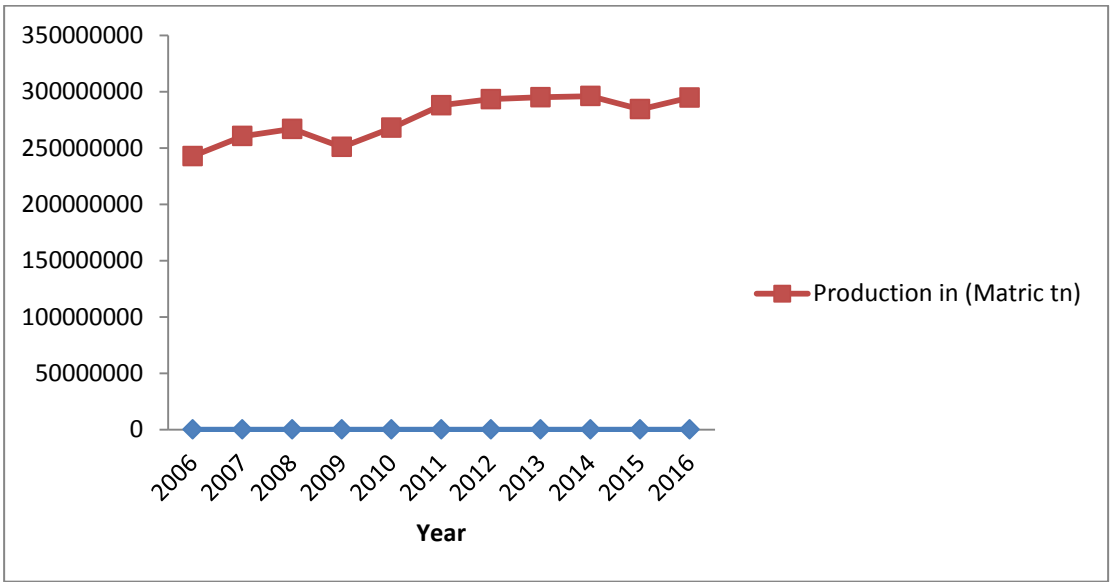
POST 2005 SITUATION OF AGRICULTURAL SITUATION OF INDIA

Year	Production in (Matric tn)
2006	242,785,588
2007	260,485,904
2008	266,835,300
2009	250,783,392
2010	267,838,308
2011	287,860,000
2012	293,290,000
2013	294,909,510

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2014	296,010,000
2015	284,333,000
2016	294,711,871

Source: World Bank official Report



The agricultural production during post WTO shows an increasing trend a steady growth in cereal production with some of minor fluctuation in 2009 and 2015, because of drought like conditions, prevailed in different states of India.

FINDINGS AND CONCLUSION:-

On the basis of periodic change in agricultural productions, which has taken place during pre post WTO periods shows a considerable impact of '*Agreement on Agriculture'* on agriculture production, during the period 1985-2016. It is quite obvious that the tabulated data on agricultural production has shown a considerable impact on the foreign market of rice and other agricultural commodities, found an access to the international markets as reported by export division of Ministry of Agriculture. On the other, the developing countries like India have been facilitated by providing 'Green Box' subsidies under AoA, operated by 'World Trade Organization.' On the basis of findings and conclusion, drawn from various studies, approved out by the authors, belonged to different streams, indicate objective and subjective views on WTO in relation to improvement in socio-economic conditions of the farmers, particularly the small and marginal farmers, belong to the developing countries like India, most of the authors belonged to different streams, have evaluated the likely impact of WTO for raising the agricultural production and productivity of their farm produces. Some of the authors, have shown their views on growing cost of agricultural production who suggested

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that some of preventive and measures in harmony with the bye-laws, set by WTO, for these poor farmers of the developing countries, like India. The findings show its varied impacts as follows:

The implication of AOA varied regarding with the varied in accordance with the varied countries, In case of Indian agriculture, which is characterized by the dominance of small and marginal farmers, who poses the land holdings less than 2 hectares of land, less than 35.8 percent of the land, is under the assured irrigating system. A great amount of farmers, having the advantage from the application of science and technology are so far to be availed. India's share in total agricultural exports from other Asian developing countries is merely 8 percent lag behind by China, which accounts 19% Thailand 17%, Malaysia 14%, and Indonesia's contribution is 10 percent. India is one of the significant members of WTO and largely seen as the leader of the developing nations, India opinions to gain from varied issues being assigned in the forum provided it with varied attention groups usefully, whereas safeguarding its development concerns. On the other small hand, as we have observed from AOA which was held in Uruguay round negotiations is deeply sloped toward developed countries. In order to balance this, India as a part of developing and least countries (G-33) proposed the amendment to AOA in the year 2008, for attaining lasting solution it follows up the story of this proposal only.

With regarding evaluating the impact of 'Green Box' subsidies on Indian agricultural productivity and the production, various researchers have given their objective and subjective views on this issue. However the recent trend of shifting of 'Green' other Box, indicate flexibility of the circumstances of the agricultural subsidies which were grouped under three boxes, Amber Box, Blue Box, and Green Box. Hence, it is obvious that post WTO period has been experienced a significant impacts, as justified by the periodic trends of agricultural production which has been affected by the terms and conditions of World Trade Organization from time to time.

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