

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE & FARMERS WELFARE
DEPARTMENT OF AGRICULTURE & FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO. 2624

TO BE ANSWERED ON THE 19th DECEMBER, 2023

Contribution of Agriculture in GDP

2624. DR. PRITAM GOPINATHRAO MUNDE:

SHRI RAHUL RAMESH SHEWALE:

Will the Minister of AGRICULTURE & FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री

be pleased to state:

- (a) whether the economic contribution of agriculture to our GDP is steadily declining with the country's broad-based economic growth and if so, the facts in this regard;
- (b) whether the current agricultural practices are neither economically nor environmentally sustainable and India's yields for many agricultural commodities are low and if so, the response of the Government thereon;
- (c) whether poorly maintained irrigation systems and almost universal lack of good extension services are among the factors responsible therefor;
- (d) whether the farmers' access to markets is hampered by poor roads, rudimentary market infrastructure and excessive regulation; and
- (e) if so, the steps taken by the Government to address these problems and the success achieved so far in this regard?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI ARJUN MUNDA)

(a) The share of Agriculture & Allied sectors in total GVA of the economy from 1990-91 to 2022-23 is given below

Year	Share of Agriculture & Allied Sector in total GVA
1990-91	35
2000-01	26
2010-11	18
2020-21	16
2022-23	15

The share of agriculture in total Gross Value Added (GVA) of economy has declined from 35% in 1990-91 to 15% in 2022-23. The decline is brought out not by the decline in agricultural GVA but a rapid expansion in industrial and service sector GVA. In growth terms, agriculture and allied sector has registered an average annual growth of 4% during last five years. As far as global experience is concerned, share of agriculture in the world's GDP has also declined over the decades and stands at about 4% in recent years.

(b) to (e) Government has adopted/implemented several developmental programmes, schemes, reforms and policies towards increasing agricultural productivity, enhancing resource use efficiency, promoting sustainable agriculture, strengthening infrastructure, ensuring remunerative price to farmers, etc. These include:

1. Income support to farmers through PM KISAN:

Launch of PM-KISAN in 2019 -an income support scheme providing Rs. 6000 per year in 3 equal installments. More than Rs. **2.81 lakh crore** has been released so far to more than **11 crore** farmers as on 30.11.2023.

2. Pradhan Mantri Fasal BimaYojana (PMFBY):

PMFBY was launched in 2016 addressing problems of high premium rates for farmers and reduction in sum insured due to capping. In past 7 Years of implementation – 49.44 crore farmer applications enrolled and over 14.06 crore (Provisional) farmer applicants have received claims of over Rs. 1,46,664 crore. During this period nearly Rs. 29,183 crore were paid by farmers as their share of premium against which claims over Rs. 1,46,664 crore (Provisional) have been paid to them. Thus for every 100 rupees of premium paid by farmers, they have received about Rs. 502 as claims.

DigiClaim– For transparency in calculation and payment of claims, Claim Payment Module to workout claims and to transfer these claims directly to the farmer's account is being done through National Crop Insurance Portal (NCIP) using PFMS platform. This initiative has been launched on 23rd March, 2023 for implementation from Kharif 2022 season claims onwards. All the claims are now being paid by insurance companies directly to farmers account through Digiclaim.

3. Institutional credit for agriculture sector:

- i. Increased from Rs. 7.3 lakh crore in 2013-14 to Rs. 21.55 lakh crore in 2022-23.
- ii. Benefit of concessional institutional credit through KCC at 4% interest per annum has also now been extended to Animal Husbandry and Fisheries farmers for meeting their short-term working capital needs.
- iii. A special drive has been undertaken since February 2020 to provide concessional institutional credit with focus on covering all PM-KISAN beneficiaries through Kisan Credit Cards (KCC). As on 20-10-2023, 482.73 lakh new KCC applications have been sanctioned with a sanctioned credit limit of Rs. 5,47,819 crore as part of the drive.

4. Fixing of Minimum Support Price (MSP) at one-and-a half times the cost of production:

- i. Government has increased the MSP for all mandated Kharif, Rabi and other commercial crops with a return of at least 50 per cent over all India weighted average cost of production from 2018-19.
- ii. MSP for Paddy (common) has increased to Rs. 2,183 per quintal in 2023-24 from Rs. 1,310 per quintal in 2013-14.
- iii. MSP for Wheat increased from Rs. 1,400 per quintal in 2013-14 to Rs. 2,275 per quintal in 2023-24.

5. Promotion of organic farming in the country:

- i. Paramparagat Krishi Vikas Yojana (PKVY) was initiated in 2015-16 to promote organic farming in the country. 32,384 clusters have been formed and an area of 6.53 lakh hectare has been covered benefitting 16.19 lakh farmers. In addition, Under Namami Gange Programme 1.23 lakh hectare area covered and under natural farming 4.09 lakh hectare area covered.
- ii. Government also proposes to promote sustainable natural farming systems through the scheme Bhartiya Prakratik Krishi Padhati (BPKP). The proposed scheme aims at cutting down cost of cultivation, enhancing farmer's income and ensuring resource conservation and, safe and healthy soils, environment and food.
- iii. Mission Organic Value Chain Development in North East Region (MOVCDNER) has been launched. 379 Farmer Producer Companies have

been formed comprising of 189039 farmers and covering 1,72,966 hectare area.

6. Per Drop More Crop:

Per Drop More Crop (PDMC) scheme was launched in the year 2015-16 which aims to increase water use efficiency, reducing cost of inputs and increasing productivity at the farm level through Micro Irrigation technologies i.e. drip and sprinkler irrigation systems. So far, an area of 81.87 lakh hectare has been covered under Micro irrigation through the PDMC scheme from the year 2015-16 and central assistance of Rs. 18,893.74 crore has been released.

7. Micro Irrigation Fund:

A Micro Irrigation Fund of initial corpus Rs 5,000 crore has been created with NABARD. In the Budget Announcement for 2021-22, the corpus of the fund is to be increased to Rs.10,000 crores. Projects worth Rs 4,710.96 crore have been approved so far.

8. Promotion of Farmer Producer Organisations (FPOs):

- i. A new Central Sector Scheme for Formation & Promotion of new 10,000 FPOs launched by Hon'ble Prime Minister on 29th February, 2020 with budget outlay of Rs 6,865 Crore till 2027-28.
- ii. As on 31.10.2023, 7,476 no. of FPOs have been registered under new FPO scheme.
- iii. Equity Grant of Rs. 113.68 Crore has been released to 2,663 FPOs.
- iv. Credit Guarantee Cover worth Rs. 213.82 Cr. issued to 918 FPOs

9. The National Beekeeping and Honey Mission (NBHM) was launched in 2020 as part of the Atma Nirbhar Bharat Abhiyan with an outlay of Rs. 500.00 crores for the period of 3 years, i.e., 2020-21 to 2022-23, and the scheme has been extended for next three years, i.e., 2023-24 to 2025-26, with the remaining available budget of Rs. 370.00 crores from the allocated budget of Rs. 500.00 crores for the overall promotion and development of scientific beekeeping and to achieve the goal of "Sweet Revolution".

10. Agricultural Mechanization:

Agricultural mechanization is extremely vital to modernize agriculture and reduce drudgery of farming operations. During the period from 2014-15 to March, 2023 an amount of Rs.6405.55 crore have been allocated for agricultural mechanization. 15,23,650 numbers of machines and equipments have been provided to farmers on subsidy. 23,018 custom hiring centers, 475 high-tech hubs and 20,461 farm machinery banks have been established to make available agricultural machines and equipments to the farmers on rental basis. During 2023-24, Rs.252.39 Crore have been released to States for distribution of 37937 nos. of agricultural machinery ,for establishment of 1916 custom Hiring Centres, 41 Hi-Tech Centres and 82 nos. of Farm Machinery Banks.

11. Namo Drone Didi:

The Government has also recently approved Central Sector Scheme for providing drones to the Women Self Help Groups (SHGs) with an outlay of Rs.1261 Crores. The scheme aims to provide drones to 15000 selected Women SHGs for providing rental services to farmers for agriculture purpose (application of fertilizers and pesticides). Of the total 15,000 drones, first 500 drones will be procured by Lead Fertilizer Companies (LFCs) in 2023-24, using their internal resources for distribution to selected SHGs. Remaining 14500 drones will be provided under this scheme and Central Financial Assistance @ 80% of the cost of drone and accessories/ancillary charges up to a maximum of Rs. 8.0 lakhs will be provided to the women SHGs for purchase of drones. The Cluster Level Federations (CLFs) of SHGs may raise the balance amount (total cost of procurement minus subsidy) as loan under National Agriculture Infra Financing Facility (AIF). Interest subvention @ 3% on the AIF loan will be provided to the CLFs. The scheme will help in infusing advance technology in agriculture for improved efficiency, enhanced crop yield and reduced cost of operation for the benefit of farmers. The scheme will also provide sustainable business and livelihood support to SHGs and they would be able to earn additional income of at least Rs. 1.0 lakhs per annum.

12. Providing Soil Health Cards to farmers :

Soil Health Card Scheme was introduced in the year 2014-15 to optimize usage of nutrients. The following numbers of cards have been issued to farmers:

- i. Cycle-I (2015 to 2017) – 10.74 crore
- ii. Cycle-II (2017 to 2019)- 12.19 crore
- iii. Model Village Programme (2019-20)- 23.71 lakh
- iv. In the year 2020-21- 11.52 lakh

13. Setting up of National Agriculture Market (e-NAM) extension Platform

- i. 1388 Mandis of 23 States and 04 UTs have been integrated to e-NAM platform. (27 additional mandis have been integrated with e NAM which included J&K (6) Madhya Pradesh (3) Maharashtra (14) Uttrakhand (4).
- ii. As on 31st Oct 2023, 1.76 crore Farmers & 2,49,903 traders have been registered on e-NAM portal. Total volume of 8.47 Crore MT & 29.25 Crore numbers (bamboo, betel leaves, coconut, lemon & sweet corn) collectively worth approximately Rs. 2.98 lakh crore of trade has been recorded on e-NAM platform.

14. Launch of the National Mission for Edible Oils – Oil Palm:

A new Centrally Sponsored Scheme namely, National Mission on Edible Oil (NMEO)-Oil Palm (NMEO-OP) has been launched during August,2021 with the aim to enhance the edible oils availability in the country by harnessing Oil Palm area expansion, increasing CPO production and to reduce the import burden on edible oil. The Mission will bring additional area of 6.5 lakh ha under Oil Palm plantation with 3.28 lakh ha in north-eastern states and 3.22 lakh ha in Rest of India with a total outlay of Rs. 11,040 crore in next 5 years from 2021-22 to 2025-26.

15. Agri Infrastructure Fund (AIF):

A one Lakh Crore Agriculture Infrastructure Fund (AIF) scheme was launched with an objective to mobilize a medium - long term debt financing facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country. Interest Subvention and Credit Guarantee supports are being provided under Agri Infra Fund.

16. Improvement in farm produce logistics, Introduction of Kisan Rail:

Kisan Rail has been launched by Ministry of Railways to exclusively cater to movement of perishable agri-horti commodities. First Kisan Rail was started in July 2020. Till 28th February, 2023, 2359 services on 167 routes have been operated.

17. MIDH - Cluster Development Programme:

Details of physical progress under the major components of NHM/HMNEH scheme of MIDH from 2014-15 to 2023-24 (as on 31.10.2023) is as under:

- Area Expansion: - An additional area of 12.95 lakh ha. of identified horticulture crops has been covered.

- Nurseries: - 872 nurseries have been established for production of quality planting material.
- Rejuvenation: - An area of 1.41 lakh ha. of old and senile orchards has been rejuvenated.
- Organic Farming: - An area of 52069 ha. been covered under organic practices.
- Protected Cultivation: - An area of 3.07 lakh ha. has been covered under Protected Cultivation.
- Water Resources: - 49979 water-harvesting structures have been created. ·
Beekeeping: - 15.93 lakh bee colonies with hives have been distributed. · -
Horticulture Mechanization: -2.60 lakh horticulture mechanization equipment have been distributed.
- Post-Harvest Management Infrastructures: - 1.14 lakh post-harvest units have been established.
- Market Infrastructures: - 14349 market infrastructures have been set up. ·
Training of Farmers: - Under HRD, 9.11 lakh farmers have been trained under various horticulture activities.

18. Creation of a Start-up Eco system in agriculture and allied sector:

So far, 1259 Start-ups during FY 2019-20 to 2023-24 have been selected by different Knowledge Partners (KPs) and Agribusiness Incubators (R-ABIs) working in agriculture & allied sector. Rs. 83.67 crore as grants-in-aid has been released in instalments to the respective KPs & R-ABIs for funding to these Start-ups under RKVY Agri-startup Programme of Department of Agriculture & FW.

19. Achievement in Export of Agri and Allied Agri- Commodities:

The country has witnessed emphatic growth in export of agri and allied commodities. As compared to year 2020-21, the Agri and allied export has increased from **41.86** billion USD in 2020-21 to **50.24** billion USD in 2021-22 i.e. an increase of **19.99%**.

Additionally, DARE, which is a part of the Ministry of Agriculture & Farmers Welfare, implemented schemes which have yielded remarkable results towards augmenting the income of the farmers. Indian Council of Agricultural Research (ICAR) has released a book, which contains compilation of success stories of 75,000 farmers out of innumerable successful farmers who have increased their income more than two times.

The expenditure on farmer's welfare in the country has improved manifold in 2022-23 i.e. 6.5 lakh crore was spent in this year alone. Details of spending as per Revised Estimate by the Central Government during 2022-23 on agriculture and allied sectors for welfare of farmers are as follows;

Item of Expenditure	Amount (Rs in crore)
Fertilizer subsidy	225220
Food subsidy	287194
Agriculture & allied activities (Excluding PM-KISAN)	76279
PM-KISAN	60000
Total	648693

*Revised Estimate 2022-23
