

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1480
ANSWERED ON:03.08.2005
ACCELERATING ECONOMIC GROWTH RATE
Rao Shri Sambasiva Rayapati

Will the Minister of PLANNING be pleased to state:

- (a) whether the Planning Commission has recommended to introduce contract farming, relax Essential Commodities Act and consolidate food processing laws in a bid to step up the economic growth in the remaining part of the Tenth Plan period and prepare the ground for more than 8% growth rate in the Eleventh Plan;
- (b) if so, the extent to which the Government has agreed to implement these recommendations;
- (c) whether the ministry has taken up the issues;
- (d) if so, the details thereof;
- (e) whether the Commission has also recommended that the Essential Commodities Act should be amended to delete the provisions that discourage development of private sector; and
- (f) if so, the extent to which these steps would be helpful to ensure growth rate of 7.5% during 2005-06?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

- (a): Yes, Sir. In its Mid-Term Appraisal (MTA) of the Tenth Five Year Plan (2002-07), the Planning Commission has recommended introduction of contract farming, amendment of the Essential Commodities Act (ECA) as well as introduction of a new consolidated Food Processing Act which form part of the many corrective steps suggested for rejuvenating the agriculture sector. These steps together are expected to contribute to higher growth rate of the economy in the future.
- (b) to (d): The main agenda for the meeting of the National Development Council (NDC) held on 27-28th June, 2005 was approval of the MTA. There was broad agreement at the NDC with the goals and policy recommendations contained in the MTA.
- (e): Yes, Sir. The Planning Commission has recommended removal of those aspects of the ECA which serve to discourage the development of modern private trades while strengthening the ability of the Act to intervene on occasion of genuine emergency or scarcity.
- (f): These steps along with others listed in the MTA are expected to accelerate growth of the agriculture sector, which would be helpful in pushing economic growth rate to 7.5% in 2005-06.