

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

STARRED QUESTION NO:7  
ANSWERED ON:25.07.2005  
AGRICULTURAL GROWTH RATE  
Adsul Shri Anandrao Vithoba;Ramadass Prof. M

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the deteriorating performance in agriculture sector is leading to deceleration in the growth of Indian Economy;
- (b) if so, the corrective steps proposed to be taken in this regard;
- (c) whether the Government has set a growth target of seven and eight per cent for the last two years of the Tenth Five Year Plan;
- (d) if so, whether the growth rate of agriculture sector is showing declining trend;
- (e) if so, the details and reasons therefor; and
- (f) the steps being taken to tackle agricultural problems and achieve the target?

**Answer**

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 7 DUE FOR REPLY ON 25TH JULY, 2005.

(a): The share of agriculture including the allied sectors of forestry, logging and fishing constitute around 20 per cent of the total Gross Domestic Product (GDP) in real terms (1993-94 prices). Therefore, its performance will affect the overall growth of the Indian Economy.

(b): In the Tenth Five Year Plan, the focus has been laid on raising the productivity of land and water resources on a sustainable basis. Towards attaining the objective, emphasis has been laid on increased cropping intensity in agriculture. Thrust areas which have been identified for focussed and priority attention include micro irrigation technology comprising drip and sprinkler irrigation, agriculture credit, horticulture with focus on backward and forward linkages, development/strengthening of agriculture marketing infrastructure, grading and standardization and agricultural research.

(c): Based on the actual growth in the past three years of the Tenth Five -Year Plan (2002-05) and the behavioural relations underlying the Indian growth process, the Planning Commission in their Mid Term Appraisal of Tenth Plan have reassessed the likely growth in total GDP for the economy as 7.6 per cent in 2005-06 and 7.8 per cent in 2006-07.

(d) & (e): The growth rate in agriculture including allied sectors of forestry, logging and fishing computed in real terms (at 1993-94 prices) is showing a declining trend during the Ninth Plan and the first three years of the Tenth Plan (2002-05) as given below :

Plan Period	Actual Average Annual Growth in Agriculture, forestry & fishing sector (%)
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Eighth Plan 1992-97	4.7
Ninth Plan 1997-2002	2.1
Tenth Plan (first three 2002-05 years)	1.2

The deceleration in the growth of Indian agriculture has been largely due to aberrant weather and related shocks, caused mostly by deficient rainfall, inadequate public investment for irrigation and thereby little increase in the irrigated area. Successive Five Year Plans have witnessed a steady decline in public investment in real terms in agriculture, which aggravated the problems arising from deficient rainfall including successive years of drought. Analysis of trends in public investment in agriculture revealed that it declined in real terms (at 1993-94 prices) from Rs.35640 crore during the Sixth Plan (1980-85) to Rs.28793 crore during the Seventh Plan (1985-90) to Rs.25298 crore in the Eighth Plan (1992-97). It declined further down to Rs.23626 crore during the Ninth Plan (1997-2002). Since public investment consists almost entirely of expenditure on irrigation, decline in public investment has adversely affected production and productivity in Indian agriculture and increased dependence on monsoon.

The year 2002-03, the first year of the Tenth Plan, witnessed a sharp decline in agricultural growth by 7.0 per cent due to the severe drought that affected several States/regions in the country. The year 2003-04, the second year of the Tenth Plan, witnessed a favorable rainfall scenario which pushed up agricultural growth to 9.6 per cent. This also reflected the very low base of agricultural GDP in 2002-03. The year 2004-05, the third year of the Tenth Plan, witnessed deficient rainfall from the South-West monsoon, which adversely affected kharif crop production in many States. Though the deficiency in rainfall (-13%) in 2004 was far less serious than that in 2002 (-19%), it pulled down growth in agriculture to a modest rate of 1.1 per cent. The average annual growth in agricultural GDP for the first three years of the Tenth Plan therefore works out to a modest rate of 1.2 % compared with the targeted growth of 4 %.

(f): Keeping in view the importance of Agriculture in the economy, the Union Budget 2005-06 has provided increased outlays in areas like horticulture and irrigation including micro irrigation. The Budget has provided Rs.630 crore in 2005-06 for the National Horticulture Mission, which will ensure end-to-end approach having backward and forward linkages covering research, production, post harvest management, processing and marketing, under one umbrella, in an integrated manner. The Budget has provided Rs.4800 crore for the Accelerated Irrigation Benefit Programme for 2005-06 compared with Rs.2800 crore in 2004-05. With a view to improving water use efficiency in Indian agriculture, the Budget has provided for Rs.400 crore for promoting micro irrigation in 2005-06. Since the flow of credit is important in accelerating the pace of investment in agriculture, the disbursement of agricultural credit is proposed to be stepped up by 30 per cent in 2005-06 over the credit disbursement of Rs.1,15,243/- crore in 2004-05, which exceeded the credit disbursement of Rs.86,981 crore made in 2003-04 by 32 per cent. Cumulatively the measures sustained on a progressive basis are expected to lead to a reversal of deceleration in agricultural growth. Simultaneously since agriculture is a state subject, states will have to increase their budgetary outlays on agriculture.