

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:155
ANSWERED ON:08.08.2012
CONTRIBUTION OF AGRICULTURE TO GDP
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Will the Minister of PLANNING be pleased to state:

- (a) whether the contribution of agriculture sector to GDP has declined;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the contribution of trade, hotel, transport and communications altogether to GDP is above 11%;
- (d) if so, the details thereof;
- (e) whether the above facts are in tune with holistic development of the country; and
- (f) if not, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) & (b): The contribution of agriculture sector in GDP at factor cost at 2004-05 prices was 14% during 2011-12 as per revised estimates of annual national income released on 31st May, 2012 by Central Statistics Office, Ministry of Statistics and Programme Implementation. The 'services sector' has witnessed a sustained fast growth leading to their higher share in country's GDP, whereas the agriculture sector saw a prolonged slowdown in its growth since the mid-nineties till 2004-05. The Eleventh Five-Year Plan had noted some of the major reasons for slowdown in the growth of agriculture sector as the uneven and slow development of technology, weak research-extension linkage, inefficient use of available technology and inputs, lack of adequate incentives and appropriate institutions, degradation of natural resource base, increased vulnerability to world commodities prices, and deceleration in public and private capital formation in agriculture.

(c) & (d): The contribution of trade, hotels, transport and communications altogether to the GDP was 28% during 2011-12.

(e) & (f): The overall development strategy aims to accelerate growth of all sectors of the economy in a holistic manner within the available resources while focusing on more inclusive growth. The plan recognizes the impact of growth in agriculture sector for achieving the goal of inclusive growth. The average growth rate of agriculture and allied sectors during the Eleventh Five Year Plan has been estimated at 3.3 percent per annum representing an improvement over the Tenth Plan average of 2.5 percent. Some of the major steps taken for increasing growth of the agriculture sector include

i) increasing expenditure on agriculture and allied sectors (enclosed annexure presents details of year-wise plan expenditure of the Ministry of Agriculture)

ii) diversifying income portfolio of farmers to high value crops such as horticulture, floriculture as well as non-crop farming like livestock, poultry etc.,

iii) increasing farm productivity by generating new technologies by the Indian Council of Agricultural Research;

iv) demonstration and transfer of these technologies by the Krishi Vigyan Kendras and improved delivery of agricultural extension services, iv) ensuring availability of inputs and promoting mechanization,

v) involving farmers in agricultural planning decisions through Rashtriya Krishi Vikas Yojana, and

vi) promoting conservation of natural resources by promoting resource conservation technologies and through programmes like Integrated Watershed Management Programme (IWMP), National Mission on Micro Irrigation (NMMI) etc.

Besides these, several other steps have been taken by the Government of India which include interest subvention to make credit available at low interest rate to farmers, announcement of Minimum Support Prices (MSP) and agricultural marketing reforms to ensure remunerative prices to the farmers as well as development of rural infrastructure under Bharat Nirman.