

Growth in Agriculture

8.3 Low and volatile growth rates in Indian agriculture and allied sectors was reflected in the average annual growth rate of value added in the sector declining from 4.7 per cent during the Eighth Plan (1992-1997) to 2.1 per cent during the Ninth Plan (1997-2002) (Table 8.3). As against the target of annual growth rate of 4 per cent during the Tenth Plan (2002-2007), agricultural growth rate in the first year (2002-03) was negative (-6.9 per cent) due to a severe drought of 2002. With a favourable monsoon, growth was an impressive 10.0 per cent in 2003-04. But deficient rainfall in 2004-05 again caused a decline of food grains production as well as rate of growth of Agriculture and allied sectors to 0.7 per cent. The advance estimates of National Income for 2005-06 released by the CSO on February 7, 2006 has estimated a growth rate of 2.3 per cent for the agriculture and allied sectors based on New Series (at 1999-2000 prices).

8.4 Low productivity has afflicted growth of Indian agriculture (Table 8.4). For example, though India accounted for 21.8 per cent of

global paddy production, the yield per hectare in 2002 was less than that in neighboring Bangladesh and Myanmar, and only about a third of that in Egypt, which had the highest yield level in the reference year. India, while accounting for 12 per cent of global production in wheat, had average yield levels higher than the global average, but only a third of the highest level achieved in the UK in 2002. However, in maize and groundnut, while accounting for 2 per cent and 18 per cent of global output, yield levels were only 39 per cent and 57 per cent of the global levels. In sugarcane, yield was in excess of average global levels.

8.5 While there is some scope for wasteland reclamation, there are obvious limitations to the extensive margins (expansion of acreage) in Indian agriculture. Enhancement of agricultural growth is essential for achieving an overall GDP growth rate in the range of 8 to 10 per cent, and improved productivity is critical for achieving accelerated agricultural growth.

**Table 8.3 : Annual average growth rate
(at constant prices)**

(per cent)

Five Year Plan	Overall GDP growth rate	Agriculture & Allied Sectors
Seventh Plan (1985-1990)	6.0	3.2
Annual Plan (1990-92)	3.4	1.3
Eighth Plan (1992-97)	6.7	4.7
Ninth Plan(1997-2002)	5.5	2.1
Tenth Plan (2002-07)		
2002-03	3.8	-6.9
2003-04(P)	8.5	10.0
2004-05(Q)	7.5	0.7
2005-06(A)	8.1	2.3

P: Provisional, Q: Quick estimates, A: Advance estimates
 Note : Growth rates prior to 2001 based on 1993-94 prices and from 2000-01 onwards based on new series at 1999-2000 prices.
 Source : CSO

**Table 8. 4 : International comparisons of yield
Selected commodities – 2002**

<i>Kg/hectare</i>					
Rice/paddy		Wheat		Maize	
Bangladesh	3448	Bangladesh	2164	China	5022
Egypt	9135	China	3885	Egypt	7789
<i>India</i>	2915	France	7449	France	8813
Japan	6582	<i>India</i>	2770	<i>India</i>	1705
Myanmar	3532	Iran	1905	Italy	9560
Pakistan	2882	Pakistan	2262	Pakistan	1769
Thailand	2597	U.K	8043	Philippines	1803
U.S.A	7372				
World	3916	World	2720	World	4343
Sugarcane		Tobacco Leaves		Groundnut (in shell)	
Bangladesh	39890	Bangladesh	1233	Argentina	2329
China	66353	Canada	2600	Brazil	2043
Colombia	94789	France	2778	China	2986
Egypt	119893	<i>India</i>	1353	<i>India</i>	794
Guatemala	94032	Indonesia	829	Sudan	630
<i>India</i>	68049	Italy	3333	U.S.A	2869
Pakistan	48042	Pakistan	1848	Uganda	701
World	65802	World	1589	World	1381

Source : Ministry of Agriculture and Cooperation.