

## Outlook

52. The decline in foodgrain production in 1997-98 to 192.4 million tonnes from a peak production of 199.4 million tonnes in 1996-97 is, to some extent, offset by higher output of 195.2 million tonnes expected in 1998-99. However, viewed against the decline in the growth rate by 3.5 per cent in the preceding year, the current year's performance is only a modest recovery. Growth in foodgrains output during nineties at 1.7 per cent is a matter of grave concern since it is just equal to the annual population growth. Crop productivity levels would require to be enhanced particularly in the states of Bihar, Orissa and eastern Uttar Pradesh.

53. The existing market regulation was geared

to handle only foodgrains and there was little effort towards developing market infrastructure for bulk sale of fruits and vegetables. Seasonal and, often very sharp decline in prices of some of vegetables, particularly potato and onion and, occasional sharp rise in their prices during the lean season, testifies to the imperfection of market mechanisms for perishable agricultural commodities. Cold chain storage and refrigerated transportation up to the large urban consuming centres would require special attention. The Government would have to play a leading role in establishing appropriate infrastructure for storage and processing. Policies should also promote development of marketing infrastructure and integration of markets within and between states.