

Outlook

8.69 Looking ahead, higher growth of the economy can be sustained only if agriculture and allied activities grow at an average annual rate of 4 per cent or so, a goal that was achieved during the Eighth Plan period. To ensure this, the policy framework must encourage high investment in rural assets and channel public expenditure towards supportive infrastructure, including rural roads, irrigation,

agricultural research and extension services and soil conservation. Second, the existing restrictions to movement of agricultural produce between States should be eliminated so that farmers can benefit from a single national market. Similarly, remaining restrictions on exports of agricultural commodities and services should also be phased out. Furthermore, a concerted effort needs to be made to revamp and revitalise the system of rural credit to put it on a firmer footing.