

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO.1973
TO BE ANSWERED ON THE 3RD MARCH, 2020

GROWTH RATE IN AGRICULTURE SECTOR

1973. SHRI HIBI EDEN:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the details of growth rate in agriculture sector during the last three years and the current year;
- (b) whether the aforesaid sector has experienced slump in growth rate, if so, the details thereof and the reasons therefor;
- (c) whether the Government has proposed to give boost to agriculture sector by providing maximum tax benefit and if so, the details thereof; and
- (d) the other steps taken by the Government to augment growth in agriculture sector?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): The Production of Foodgrains, horticultural crops and growth rate of Gross Value Added (GVA) of agriculture and allied sector (as per the figures released by Central Statistics Office) from 2016-17 to 2019-20 are detailed below:

Year	Food Grains (million tonnes)	Horticulture crops (million tonnes)	Growth rate of GVA of agriculture and allied sector (at 2011-12 prices)
2016-17	275.11	300.64	6.8
2017-18	285.01	311.70	5.9
2018-19	285.21	310.74	2.4@
2019-20	291.95*	313.35**	2.8#

*As per the Second Advance estimates of production of Foodgrains

** As per First Advance Estimate of production of Horticulture crops

@ As per the revised estimates of national income released by CSO on 31st January, 2020

As per the first advance estimates of national income released by CSO on 7th January, 2020

The overall economy has been growing at a faster rate than the agriculture sector resulting in a decline of the share of agriculture and allied sector in the economy. This is on account of structural changes due to a shift from a traditional agrarian economy to industry and service dominated one. This phenomenon is generally expected in the normal development process of developing economies including India. GVA in agriculture and allied sectors is largely determined by the level of production in agriculture crops, horticulture, fisheries, dairy etc. Although, the production of foodgrains and horticultural crops, which is a major component in the overall value of output/GVA in agriculture has been showing an increasing trend as given in the table above, the growth rate of GVA of agriculture has been volatile due to cyclical fluctuations on account of the extent and spatial distribution of rainfall during monsoon season, unseasonal rains/ hailstorms, adverse temperature conditions etc.

(c): Agriculture income is exempt under clause (1) of section 10 of the Income-tax Act, 1961, however it is included in the total income for rate purposes for computing the income tax liability if the agricultural income exceeds Rs 5,000 and if the total income, excluding the agricultural income exceeds the basic exemption limit of Rs 2,50,000.

Apart from this, as per the present Goods and Services Tax (GST) system, most of the agriculture relevant inputs are either 'Nil' rated or command minimum GST.

(d): As per the Seventh Schedule of Constitution of India, land comes under the purview of State Governments and, therefore, it is for the State Governments to make efforts to increase growth of agriculture sector. However, Government of India supplements the efforts of the State Governments through various crop development Schemes/Programmes. Government of India has been implementing various schemes namely Rashtriya Krishi Vikas Yojana (RKVY)- to provide more flexibility to the states for boosting investment and enhancing productivity in agriculture and allied sector; Paramparagat Krishi Vikas Yojana (PKVY)- to promote organic farming with usage of traditional resources, adopting eco-friendly low cost technologies; Soil Health Card scheme- for improving soil health and its productivity; Prime Minister Krishi Sinchai Yojana (PMKSY)/ "Per Drop More Crop" - for precision irrigation and better on-farm water management practices to optimize the use of available water resources; National Agriculture Market Scheme (NAM) to connect mandis across the entire country through a common electronic-platform etc.
