

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 938
TO BE ANSWERED ON 26.07.2021

RURAL ECONOMY

938. SHRI G.M. SIDDESHWAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether Union Government has taken note of reports that consumption in rural India has shown a slowdown during the last Covid affected months in the country;
- (b) if so, the details thereof;
- (c) whether it is a fact that rural economy has been plagued by falling crop prices and declining incomes, resulting in a severe slump in demand; and
- (d) if so, the steps taken by Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): As per the Provisional Estimates of Gross Domestic Product (GDP) for the year 2020-21 released by the National Statistical Office, the Gross Value Added (GVA) of agriculture has shown a growth of 3.6 per cent, signalling better prospects of consumption in rural India. Total Foodgrain production is estimated to rise 2.7 per cent to a new record of 305.44 million tonnes in the current crop year 2020-21, on record output of rice, wheat, maize and gram. Domestic tractor sales, an indicator of rural demand, recorded a growth of 27 per cent in FY 2020-21 over previous year. The forecast of a normal south-west monsoon in 2021-22 and recent trends in kharif sowing are further expected to boost rural incomes.

In line with the announcement made in Union Budget, 2018-19 to keep Minimum Support Prices (MSPs) at levels of one and half times of the cost of production to ensure remunerative prices to the farmers for their produce, Government has increased the MSP for Rabi and Kharif crops for the marketing season 2021-22. Higher MSPs have been supported by record levels of procurement by the Government at 869.0 LMT of paddy benefitting 128.22 lakh farmers with MSP value of Rs.1,64,066 crore during Kharif Marketing Season 2020-21 and 433.32 LMT of wheat benefitting 49.16 Lakh farmers with MSP value of Rs.85,581.02 crore during Rabi Marketing Season 2021-22.

Government had announced a special economic and comprehensive package of Rs. 29.87 lakh crore under AtmaNirbhar Bharat (ANB) to combat the impact of the COVID-19 pandemic, to revive economic growth and to bolster employment. Union Budget 2021-22 has announced number of measures to support broad-based and inclusive economic development. Government announced a relief package of Rs 6.29 lakh crore in June 2021 to strengthen public health and provide impetus for growth and employment measures.

Key measures of the above steps, *inter-alia*, include Pradhan Mantri Garib Kalyan Yojana, additional Emergency Working Capital Funding for farmers through NABARD, concessional credit through Kisan Credit Cards, fund transfer under PM-KISAN, PM Fasal Bima Yojana claim payments, additional subsidy for DAP & P&K fertilizers, extension of SVAMITVA Scheme to all States/UTs, enhancing agricultural credit and infrastructure funds, interest subvention for dairy cooperatives, liquidity support under Rural Infrastructure Development Fund to states, PM Garib Kalyan Rojgar Abhiyaan, enhanced MGNREGA budgetary support, PM SVANidhi, Agri-Infrastructure Fund for farm gate infrastructure, scheme for Formalisation of Micro Food Enterprises (MFE), Pradhan Mantri Matsya Sampada Yojana, National Animal Disease Control Programme, Animal Husbandry Infrastructure Development Fund, Promotion of Herbal Cultivation and Beekeeping and extension of Operation Greens from Tomatoes, Onion and Potatoes (TOP) to all fruits and vegetables (TOTAL).
