

- (a) whether the Indian economy is dependant on good monsoon and rural economy;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Government has made any assessment regarding effects of monsoon on the economy of the country during the last two years; and
- (d) if so, the outcome of the assessment?

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) and (b): As per the data released by the Central Statistics Office, agriculture and allied activities including livestock, forestry and fishing and aquaculture, account for about 17 per cent of the Gross Value Added in the economy at current basic prices in 2015-16. Agriculture also provides critical inputs to industrial and services production. Besides, as per the National Sample Survey data for 2011-12, about 49 per cent of the workers in the usual status are engaged in the agricultural sector. As roughly 60 per cent of Indian agriculture is dependent on rainfall, variations in monsoon rainfall affect economic growth and employment in India considerably. Besides being home to the agriculture and allied activities, the rural economy also supports a large number of small manufacturing units and various service sector activities, which are employment-intensive.

Recognizing the importance of the rural sector of the economy, the Government has made a number of initiatives to improve rural infrastructure and livelihoods with focus on electrification, connectivity, skill formation and self-employment, apart from various measures to improve agricultural growth.

(c) and (d): Two years of sub-normal monsoon during 2014-15 and 2015-16 led to a decline in the average growth rate of the Gross Value Added (at constant basic prices) in agriculture and allied sectors to 0.5 per cent which may have affected farm sector incomes and livelihoods.

In view of the susceptibility of farm operations to the vagaries of monsoon, the Government has focused primarily on farm infrastructure, soil health, crop protection and insurance in order to improve agricultural incomes significantly in a time-bound manner. Government is implementing several programmes to expand the area under irrigation and also to promote efficient use of water, which include: Pradhan Mantri Krishi Sinchai Yojana; Accelerated Irrigation Benefit & Flood Management Programme; Command Area Development programme; On Farm Water Management; and, Integrated Watershed Management Programme.
