

number of important policy actions to boost agriculture: instituting soil health cards, ensuring efficient irrigation, strengthening government procurement of pulses, introducing neem-coating of urea, building more assets under MGNREGS, expanding

crop insurance for farmers and building a common agricultural e-market via e-NAM. (Source: CSO)

Outlook

The productivity of most crops in India is below the global productivity

average. Farm productivity can be improved through better irrigation, technology improvement, crop diversification, increased value-addition (fruits, vegetables, spices, condiments), and increasing crop intensity.

Annual real GVA and GDP growth (%)

GVA at basic prices	2014-15	2015-16	2016-17	2017-18 (1st AE)
Agriculture, forestry & fishing	-0.2	0.7	4.9	2.1

(Source: CSO)

Growth drivers

Demand

- Population and income growth
- Increasing exports
- Favourable demographics

Supply

- Hybrid and genetically modified seeds
- Favourable climate for agriculture
- Wide variety of crops
- Growing mechanisation
- Improving irrigational facilities
- Green revolution in Eastern India

Policy support

- Growing institutional credit
- Increasing MSP
- Introduction of new schemes like Paramparagat Krishi Vikas Yojana,

Pradhan Mantri Gram Sinchai Yojana, Sansad Adarsh Gram Yojana

- Opening up of exports of wheat and rice
- Approval of National Mission on Food Processing

Budgetary measures

- To double farmer incomes, the Central Government proposed an increase in the MSP to one-and-a-half times the production cost for a majority of rabi and kharif crops.
- The Central Government will create an institutional mechanism, with participation of all concerned Ministries, to develop appropriate policies and practices for price and demand forecasts, use of futures and options market, expansion of warehouse depository system and

take decisions about specific exports and import-related measures.

- An Agro-Market Infrastructure Fund (corpus of ₹2,000 crore) will be set up for developing and upgrading agricultural marketing infrastructure in the 22,000 Grameen Agricultural Markets (GrAMs) and 585 APMCs.
- Prime Minister Gram Sadak Yojana Phase III will include major link routes, which connect habitations to agricultural and rural markets (GrAMs). This will ease the supply of raw material to manufacturing locations.
- The government increased the volume of institutional credit for the agriculture sector to enhance agricultural produce.

Stages of agriculture inputs



Source: CARE