

Unusual Agricultural Growth

What is the issue?

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- Madhya Pradesh (MP) has achieved a double digit growth, with an average agricultural growth rate of 13.9 % over the five-year period 2010-15 — delivering a cumulative growth of 92 % over the period.

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- **MP's record stands out against the backdrop of an all-India growth rate for agriculture of less than 4 %.**

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What are the contributory factors?

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- There has been a massive spread of **irrigation**, a sharp increase in **power supply** for agriculture, and **better access** to markets because of improved rural road **connectivity**. Yield levels have soared.

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- The state's **crop acreage has increased**, and more farmers are now able to do a third crop in the year.

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- MP has become second only to Punjab in its contribution to the central wheat pool.

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Does MP replicate its success in other fields?

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- Unusually, though, MP has not been able to replicate its success in agriculture in the rest of the economy — not in industry, and not in services.

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- This is most unusual as well as counter-intuitive because **rapid growth of**

farm output should ordinarily lead to growth in transport and trade, finance and electricity use, not to speak of an increase in personal consumption.

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- And in manufacturing too: Punjab's Green Revolution was accompanied by the industrialisation of the state because of the production of agricultural implements, tractors, bicycles, textiles and garments.

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- Because MP's growth in agriculture has not been matched by other sectors, the state's overall economic growth rate improved only marginally at first, and lagged the national average.

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- Then it began to match the national growth rate; in the most recent years, MP has become the fastest-growing among the major states.

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Is MP's agricultural track record sustainable?

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- In 2010, the state had **the advantage of a low base** in terms of both output and productivity (yield per hectare).

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- But even now, despite the improvements of recent years, its numbers are below the all-India averages for crop yield, fertiliser use and other yardsticks; the granary states of Punjab and Haryana are of course well above the national average.

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- So while MP has 10.4 % of the country's gross cropped area, **it accounts for only 8.6 % of the value addition in agriculture.**

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- That should mean the state still has headroom for growth but probably at a slower rate because it cannot expand its irrigation capacity and crop acreage as rapidly as in the past.

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Source: Business Standard

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