



## BRIEF OVERVIEW OF AGRICULTURAL POLICY AND ITS IMPACT ON AGRICULTURAL SECTOR IN ASSAM

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### ABSTRACT:

Agriculture and allied activities are considered as the primary sector, which contributes a major portion to the country's economy as well as states' economies. Both Central and State Governments try to develop the sector through Agricultural policies. Assam also follows the policy by implementing various schemes for the development of the sector through agricultural production, area under irrigation, inflow of credit, etc. But changes occur in the sector of Assam is not satisfactory compared to all India level, where as some other states of India are doing well at the same time. Lower agricultural development in Assam can be seen from various reasons like poor irrigation, lack of inflow of credit, etc. From the period of Green Revolution, to shortage of market infrastructure and to budget allocation till date, the agricultural sector experiences a neglected attitude in Assam. The study uses secondary sources of data to examine various initiatives taken by the Government and impact of these initiatives on the agricultural sector. Some suggestions are also included for better performance of agricultural policy in the state at the end to the paper.

**Keywords:** Agriculture and allied sector, agricultural policy, Government schemes, growth

### I. INTRODUCTION:

Agriculture and allied activities act as the primary sector of Indian economy from the beginning of our civilization. It contributed the largest share to the country's GDP for many decades after independence but gradually it declines from 54 percent in 1950-51 to 19.9 percent in 2020-21(Economic Survey, 2020-21). But still it consumes country's half of the working population. Therefore, Government adopts various aims and objectives through policies, five year plans, schemes, etc to develop the sector. Green Revolution and irrigation policies had played an important role towards diversification and more production in some states of India (Banu Shazia & Sheereen Zeba, 2015). But due to Economic Reforms of 1991, liberalization on imports, privatization and globalization adversely affect country's Agriculture and Allied Sector directly or indirectly (Chand Ramesh). Therefore, Government drew a roadmap for agricultural development stated broadly in National Agricultural Policy in 2000. Some of the objectives of this policy are given below-

- i) Agricultural growth rate should be more than 4 per cent annually after twenty years.
- ii) Farmers covered under National Agricultural Insurance Scheme to save farmers from harm in case of crop damaged,
- iii) Rational utilization of water resources by encouraging irrigation facility,
- iv) National livestock and breeding strategy is included in the policy to increase production of animal husbandry, etc,
- v) Increasing inflow of capital and improve availability of markets for agricultural goods,
- vi) Farmers will be provided sufficient and timely supply of quality implements for agricultural activities.( Agricultural policy, 2000 )

State Government of Assam also tries to revive its Agricultural Sector by adopting the policy. Similar to country's statistics, share of Agriculture and Allied Sector on SGDP declines over a period of time. It hampers the growth of state's economy as it supports more than 70 percent population of the state directly or indirectly. More than 53 percent of total workforce of the state is employed in this sector (Economic Survey, 2016-17).

### II. OBJECTIVES:

- i) To find out the initiatives taken by the Government for the development of Agriculture and Allied Sector in Assam.
- ii) To find out the impact of various Government plans, schemes for the development of Agricultural Sector in Assam.

### III. RESEARCH METHODOLOGY:

The research is quantitative in nature. The study uses secondary source of data, which are gathered from records like Economic Surveys, National Agricultural Policy, Draft State Agricultural Policy of Assam, etc. Data are presented through tabulation method.

### IV. LITERATURE REVIEW:

Chand Ramesh(2003) consider Green Revolution technique was the biggest achievement but it only benefitted areas under irrigation but not the dry lands. He recognizes deregulation policy, reduced Government participation and liberalization is the threat to Indian agriculture sector. He gave emphasis on concrete time bound action plan to be formulated at Centre and State level. Agarwal and Somanathan (2005), stated that policy making by the government frequently considered as a failure in implementation in India and therefore, suggested that policy making agency should gather all the necessary information on the subject matter, inter-sectoral impacts, etc along with a degree of decentralization and centralized control is needed for proper implementation at ground level. Saud H.K. (2018), states that productivity of agricultural crops is comparatively lower than the national average. Implementation of various land reform measures has not been effective and impact has been negligible in Assam. He examined the reasons of low productivity of rice, jute and rubber, which is hampered due to input and service constraints.

### V. ANALYSIS:

Agriculture and Allied Sector contributes 19 percent in 2016-17 in Assam's SGDP, while it was 47.5 percent to in 1980-81. The share has declined, but still the sector gives employment to over 53 percent of entire workforce of Assam and population about 70 percent of the state is rely on the sector by various way (Saud H.K.,2018). Hence, Government of Assam adopts National Agricultural Policy including plans, and schemes for the development of the sector.

### GOVERNMENT INITIATIVES TO AGRICULTURAL DEVELOPMENT:

1. Assam Agricultural Competitiveness Project (AACP), 2005: The project was financed by World Bank to raise the productivity and ensure market accessibility for farmers and group of farmers. It includes three components a) Investment Grant Scheme to develop irrigation, mechanization of farms and production of fish, b) Improve market chain and services for Agricultural development and c) Infrastructure development (ARIAS Society, 2016).
2. Pradhan Mantri Krishi Sanchayee Yojana (PMKSY), 2006: It aims to ensure access to some means of irrigation to all agricultural farms and enlarge cultivable land under irrigation.
3. National Food Security Mission (NFSM), 2007: Its target was to produce food grains of 25 million tons by the end 2017, increase productivity of farms at individual level, restore soil fertility, and to build confidence amongst farmers.
4. Rastriya Krishi Vikas Yojana (RKVY), 2007-08: It incentivizes the state to raise public investment in agriculture and allied sector. It aims to provide the state, independence and flexibility in planning and implementing the schemes, based on its climatic condition, availability of natural resources and technology.
5. Bringing Green Revolution to Eastern India (BGREI), 2010-11: Its vision is to solve the problems for lower productivity of cropping system, especially in rice cultivation in the state. It encourages rice cultivation using hybrid seeds, stress tolerant rice variety, irrigation and infrastructure.
6. National Mission for Sustainable Agriculture (NMSA), 2014-15: The mission aims to promote crop and location specific sustainable Soil Health Management by making and connecting maps of soil fertility with nutrient management. It also gives emphasis on cautious application of fertilizer. It also includes Paramparagat Krishi Vikas Yojana (PKVY) to encourage organic agriculture.
7. Pradhan Mantri Fasal Bima Yojana, (2016): Its objective was to provide financial assistance to farmers for damaged crop due to unexpected events and to ensure credit inflow to the Agriculture and Allied Sector.
8. Rural Infrastructural Development Fund (RIDF), 2016-17: Its objective is to create assured irrigation potential by installing Shallow Tube wells with Diesel pump set, electrical pump set, solar PV powered pump set and construction of water storage tank.
9. Chief Minister Samagra Gramye Unnayan Yojana( CMSGUY), 2017: It aims to enhance farm mechanization and to facilitate double cropping, one tractor unit is provided to one selected beneficiary group in each revenue village at subsidized rate.

(Source: Department of Agriculture & Horticulture, Directorate of Agriculture, Assam, 2021)

### IMPACT OF GOVERNMENT INITIATIVES IN AGRICULTURAL SECTOR IN ASSAM:

Government has introduced various schemes, plans under National Agricultural policy for the development of the Sector. The annual growth rate of Agriculture and Allied Sector to GSDP of Assam is given in the following table-

Table: 1

Table Name: Agricultural Growth Rate of GSDP of Assam at Constant Price 2004-05

Year	Agricultural growth rate of GSDP
2005-06	2.59
2006-07	1.77
2007-08	2.80
2008-09	6.30
2009-10	6.39
2010-11	6.49
2011-12	6.43

Source: Economic Survey of Assam, 2010-11, 2011-12

It is seen from the above table that growth rate of agricultural sector of Assam was below 4 percent which is the national target for agricultural growth rate. But from the year 2008-09 the sector achieved a growth rate more than 6 percent.

Table: 2

Table Name: Agricultural Growth Rate of GSDP of Assam at Constant Price 2011-12

Year	Agricultural growth rate of GSDP
2012-13	16.36
2013-14	-3.165
2014-15	2.68
2015-16(P)	3.28
2016-17(Q)	4.58

Source: Economic Survey of Assam, 2016-17

It is seen from the above table that annual agricultural growth rate of Assam during 2012-13, was very high, but after the annual growth rates of agriculture and allied sector in Assam were not satisfactory. Agricultural annual growth rate of GSDP of Assam is 4.58 percent in 2016-17 (Economic Survey, 2016-17).

Other than the growth rate, some other areas like, Assam became third producing state for Jute and Mesta by contributing 7.93 percent to all India production, in 2016-17. It is one of the major rice producing states in India which produces 32.45 quintal/hectore during 2016-17 (Pocket Book of Agricultural Statistics, 2017). Out of 41.05 lakh hectore gross cropped area of the state, Government created 7.97 lakh hectore area covered under irrigation, but only 1.30 lakh hectore irrigation potential was utilized, where as Rajasthan, Gujrat, and Karnataka are the states having large area under irrigation (Economic Survey, 2016-17). Consumption of electricity for agricultural use has increased from 84729 GW in 2000-01 to 173185 GW in 2015-16, but percentage of consumption of electricity for agriculture to total consumption of electricity has declined by 6.70 percent from 2000-01 to 2015-16. Trade of tractors and power tillers also increased by 335131 nos and 27713 nos respectively from 2004-05 to 2016-17. In case of consumption of Pesticides and Chemical Fertilizer increased by 11.96 lakh tons and by 114.2 lakh tons respectively from 2004-05 to 2016-17. Import of fertilizer has also increased from 20.91 lakh tons to 123.63 lakh tons and to 78.18 lakh tons in 2000-01, 2010-11, and 2016-17 respectively. For Sustainable Development in agriculture, Government covered 7.49 lakh hectore under soil conservation. Under Soil Health Card Scheme, 230027 households received SHC while 104598084 SHC is distributed in all India till 2018 (Pocket Book of Agricultural Statistics, 2017). Agricultural loan of Rs 15628.72 crore is disbursed to 1034.27 thousand accounts in 2016-17. Inflow of institutional credit to the sector increased by Rs 811097 crore from 2007-08 to 2016-17. GOA has allocated 5 percent of its budget towards Agriculture and Allied Sector, while average allocation to the sector by states is 7.1 percent (Economic Survey, 2016-17). 8516 lakh farmers of the state are covered under PMFBY till 2016-17, but none is benefitted by the yojana in Assam. While Restricted Weather Based Crop Insurance Scheme covered 51749 farmers and number of benefitted farmer in Assam is 23370 where as in respect to all India 1686986 farmers are covered. Only 1 percent area out of all cropping area in Assam is insured while 28.63 percent area is insured out of total cropping area of India in 2016-17. In respect of cold storage capacity, Assam has only 36 projects with 157906 MT capacity in 2016-17, whereas UP has 2285 projects with 14139098 MT capacity. (Pocket Book of Agricultural Statistics, 2017).

It is seen that both Central and State Government are trying to develop the agricultural and Allied Sector by execution of various schemes, but the growth is very negligible. Although Assam has a favorable agro-climatic condition, and a potential place for cultivation, the sector is far behind the other states of India. Also, in irrigation facility, inflow of credit, farm mechanization, infrastructure in Assam has lot of scope to improve.

## VI. CONCLUSION:

As the Primary Sector of our economy, Agriculture and Allied Sector not only contributes to the country's GDP but also act as a major employment creating sector in India. Government adopt various schemes to develop the sector but due to many reasons such as lower productivity, lack of proper irrigation, lack of credit, lack of market, low market price of the produce, low self confidence and pride of farmers etc , this sector is lagging behind the other states of India. Therefore, it is suggested that state government should formulate, and execute its own policy and schemes to deal with its own issues. Central government should also guide and support them in all possible ways as North Eastern India will become the emerging market, once get linked with South East Asian Countries (Agarwal O.P. & Somanathan T.V., 2005). It is also suggested that proper information about various schemes should be reached to each farmers by developing and using information technology, the process of application for beneficiary and for bank credit should be made easy to understand and time economic for the farmers.

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