

## PART TWO

### I. Agricultural Production

31. Agricultural production increased at the rate of 3·5 per cent per annum during the decade of the first two five-year plans. In the first year of the third plan, it remained at the same high level as in the previous year. Production of foodgrains was slightly lower—78·6 million tons in 1961-62 as compared to 79·7 million tons in 1960-61. There was an impressive increase in production of wheat by as much as 7·4 per cent and the output of rice was maintained at the previous year's level. The decline in production occurred mainly in the inferior cereals and pulses. Jowar output declined as much as 16·8 per cent and output of pulses by 7·8 per cent. The trends in agricultural production during the last three years, are summarised in the following table (and are set out in full in Table 1·3 at the end):—

#### *Agricultural Production*

Unit	1959-60*	1960-61*	1961-62†	Per cent‡ change in 1961-62 over 1960-61
Foodgrains . . . million tons . . .	74·7	79·7	78·6	—1·4
Raw cotton . . . million bales . . .	3·7	5·4	4·5	—16·5
Raw jute . . . million bales . . .	4·6	4·0	6·3	+57·4
Sugarcane . . . million tons of gur . . .	7·7	10·4	9·7	—6·8
Groundnuts . . . million tons . . .	3·9	4·4	4·7	+6·6
<i>Index number of agricultural production . . . (1949-50=100)</i>	<i>128·5</i>	<i>139·9</i>	<i>139·9</i>	<i>..</i>

\*Partially revised estimates

†Final estimates

‡Based on figures in thousands

32. The small decline in the production of foodgrains in 1961-62 must be seen in the context of the exceptionally good crop obtained in 1960-61. On the basis of the trend in production between 1949-50 and 1959-60 production of foodgrains should have been 76·7 million tons in 1960-61 and 78·8 million tons in 1961-62. Such estimates of production potential created through various agricultural programmes as are available also suggest similar levels of production in the two years. On account of the exceptionally good seasonal conditions, the 1960-61 food crop turned out to be nearly 3 million tons higher than what could have been expected on the basis of past trends; in 1961-62, despite adverse weather, output of foodgrains was not materially below the trend level.

33. Imports of foodgrains in 1962 amounted to 3.58 million tons as compared to 3.44 million tons in 1961 and Government stocks of foodgrains were also drawn upon to the extent of about half a million tons during the year. Thus the lower output of foodgrains was compensated by supplies from these sources and the total availability was about the same as in 1961. On a *per capita* basis there was a small decline in the availability, but not necessarily consumption, of foodgrains.

34. The outturn of commercial crops in 1961-62 was more satisfactory with the exception of cotton and sugarcane. Acreage under cotton declined by about one per cent in 1961-62 on account of adverse weather conditions at the time of sowing. Yields were further affected by drought and severe cold in several parts of the country and production of cotton declined by nearly one-sixth. Area sown to sugarcane increased by 2.6 per cent, mainly in U.P. and Bihar, but production declined by 6.8 per cent. There was a bumper crop of jute and mesta which more than offset the substantial decline in output in the preceding two years. The total output of jute and mesta amounted to nearly 8 million bales, i.e. an increase of 56 per cent as compared to 1960-61 and 16 per cent as compared to the large harvest in 1958-59. The output of groundnuts also showed some improvement and the production of oilseeds was about 5 per cent higher than in the previous year.

35. The improved supplies of raw jute in the latter part of 1961 helped the industry to build up stocks which were greatly depleted during the first eight months of 1961, and also to meet in full the raw material requirements for a larger output. Despite measures for conserving raw jute by the reduction in the hours of work and increase in the number of looms sealed, stocks with jute mills had fallen from about a million bales at the end of January 1961 to only 1.92 lakh bales by the end of August 1961. By April 1962 stocks had risen to 2 million bales and by the end of September 1962 they were 1.2 million bales. The output of raw jute in 1962-63, though smaller than in the previous year, is expected to be large enough to meet in full the requirements of the mills and leave some margin for exports.

36. The smaller cotton crop in 1961-62 was supplemented by imports of 8.1 lakh bales mainly under P.L. 480. Nevertheless, the cotton year (September-August) ended with stocks with mills of 14.6 lakh bales—about 3.5 lakh bales less than the opening stocks. Cotton production during the current season is expected to be larger and imports of about 6 lakh bales have been arranged for.

37. In keeping with the emphasis placed on agricultural production during the third plan, a series of measures were taken during the year to intensify the efforts for increasing production particularly of cotton and oilseeds which are important from the point of view of foreign exchange. In pursuance of the policy to ensure a reasonable price to the cultivator and with the expectation of a bumper wheat crop in the *rabi* of 1961-62, minimum prices of wheat ranging from Rs. 32.15 to Rs. 37.51 per quintal (Rs. 12 to Rs. 14 per maund) were fixed in March 1962. While there is little danger of rice prices falling to unduly low levels, procurement prices for rice ranging from Rs. 40.19 to Rs. 46.54 per quintal (Rs. 15 to Rs. 17.37 per maund) for common varieties have been announced for the 1962-63 season to provide an incentive for increased rice production in the coming year. With a view to encourage the production of better quality sugarcane, the provisions regarding minimum prices of sugarcane were revised during

the year to link prices payable to the cultivator with the quality of cane. The ceiling price of cotton for the Moglai Jarilla 25/32" variety has also been increased by 15 per cent from Rs. 231 to Rs. 266 per quintal (Rs. 820 to Rs. 945 per candy) with effect from the 1962-63 season. In the case of commercial crops, however, increase in output has to be obtained by improving yields rather than extension of cultivation. Over the last ten years the increase in the output of commercial crops, other than plantation crops, has been primarily due to extension of cultivation facilitated to a considerable extent by the spread of irrigation. This is especially true of cotton in the Punjab and sugarcane in Maharashtra. Average yields of commercial crops have not shown an increase comparable to those obtained in the case of food crops. Since the possibility of further extension of acreage is limited, considering the claims of food crops, emphasis is being laid on intensive cultivation of cotton (especially long-staple cotton) and oilseeds. A package programme has been introduced in selected districts for both these crops, additional allocations of fertilisers have been made and arrangements initiated for intensifying plant protection measures.

38. During the first two years of the third plan period additional 7 million acres of land are expected to be brought under irrigation. This was made possible by increase in potential created through major and medium schemes and the minor irrigation programmes as well as by greater utilisation of existing facilities. The ratio of utilisation in the case of major and medium schemes has gone up from less than 50 per cent in 1955-56 to about 75 per cent by now. Further measures have been initiated to improve the utilisation of irrigation potential. The availability of chemical fertilisers has also increased. From less than one lakh tonnes of nitrogen, the indigenous production has gone up to 1.4 lakh tonnes in 1961-62 and is expected to be about 2 lakh tonnes in 1962-63. Imports have also increased so that the total availability is now about 4.25 lakh tonnes of nitrogen as compared to 1.9 lakh tonnes in 1960-61. The programmes for increasing the internal production of fertilisers are at varying stages of implementation and a substantial increase in output is expected in the last two years of the third plan. The bulk of the additional production will consist of compound fertilisers not familiar to the farmer. Along with the increase in supplies, therefore, it is necessary to take measures to promote the use of these fertilisers. Efforts are being made to popularise the new types of fertilisers; and the price of calcium ammonium nitrate has been reduced relatively to that of ammonium sulphate with a view to encouraging its use. Incentives have been given to the dealers of fertilisers to encourage more effective distribution.

39 A renewed emphasis is being put on agricultural production programmes in the context of the emergency. With a view to ensuring quick benefits, the third plan targets of additional acreage to benefit from minor irrigation and soil conservation programmes have been increased by 50 per cent, and high priority is being accorded to these programmes. It has been decided that funds allotted to the Community Development blocks should be used mainly for agricultural development. The arrangements for the distribution of improved seeds and fertilisers are being strengthened and the efforts for increasing production of cotton, oilseeds, rice, millets and pulses are being concentrated in selected areas where these crops predominate, with a view to obtain quick returns. In view of the pressure on the prices of subsidiary foods, an intensive development programme for increasing the production of fruits and vegetables has been taken in hand. Steps are also being taken to set up milk drying plants and several cattle development centres and to strengthen the rural dairy

extension programmes as also existing dairy projects. Similar schemes for the increase in production and supplies of meat, eggs and poultry have been devised.

40. It is still too early to predict the outturn of crops in 1962-63. This year's *kharif* season was marked by deficient rainfall in June over most parts of the country and this was followed by excessive rainfall and floods in the Punjab, Bihar, Assam and Uttar Pradesh in September and October. Parts of U.P., the Punjab and Rajasthan and western Madhya Pradesh also suffered from locust invasions. Despite these adverse conditions, the overall prospects for agricultural production during 1962-63 appear to be satisfactory. The total output of foodgrains is expected to be larger, though there may be some shortfall in the output of rice. The production of cotton is expected to be substantially higher than in 1961-62, although there may be a further decline in the output of sugarcane. Production of jute is not expected to be maintained at the high level reached last year. Altogether, the current year's crop may not show a very substantial improvement over the peak level of agricultural production attained in 1960-61.