CHAPTER 2

AGRICULTURAL PRODUCTION

2.1 Agricultural production in 1978-79 recorded an increase of 3.4 per cent on top of the increase of 14.5 per cent in 1977-78. The trend of continued progress since 1975-76 in agricultural production was, however, interrupted in 1979-80 because of a severe drought in many parts of the country in the last *kharif* season. As a result agricultural production in 1979-80 may record a decline of about 10 per cent. Despite this set-back, there is considerable evidence of growing strength and resilience in Indian agriculture. The agricultural sector has become increasingly capable of taking better advantage of favourable weather conditions through the application of improved technology. Simultaneously, the experience of 1979-80 shows that technology and the spread of irrigation has enabled the farmer to withstand the ravages of weather in a much better fashion than would have been possible a decade or so ago. This testifies to the basic soundness of the strategy for agricultural development adopted since the late sixties, encompassing expansion of irrigation with improved water management, better seeds, a greater use of fertiliser and adoption of improved cultural practices.

Performance in 1978-79

2.2 The Index of Agricultural Production (Average of 1967-68 to 1969-70=100) reached a record level of 138 in 1978-79 from 133.4 in 1977-78 showing an increase of 3.4 per cent. Almost all important crops except jowar, small millets and arhar in *kharif* and barley in *rabi*, contributed to this increase in agricultural production. The increase in foodgrains production by 3.9 per cent was faster than that of cash crops which increased by 2.4 per cent. Both rice and wheat attained new levels of about 54 and 35 million tonnes respectively although the increase in rice production by about 1.2 million tonnes was lower than in wheat which increased by 3.2 million tonnes. The 3.9 per cent increase in foodgrains production from the already high level reached in 1977-78 was achieved despite a set-back caused by heavy rains and floods in the catchment areas of major rivers in the north. The production of *kharif* foodgrains increased only marginally from 77.7 million tonnes in 1977-78 to 78.7 million tonnes in 1978-79. Losses due to floods adversly affected rice production which was only slightly higher than the previous year. Production of *kharif* jowar and small millets actually declined. However, the *rabi* crops were free from such adverse influences. *Rabi* output increased substantially contributing nearly 4 million tonnes out of 5 million tonnes of additional output of foodgrains during the year.

2.3 The production of commercial crops also recorded further gains except sugarcane which declined by 10.7 per cent to 16.04 million tonnes (in terms of gur). The output of cotton increased by 9.5 per cent to 7.93 million bales and of jute and mesta by 15.9 per cent to 8.29 million bales reaching record levels. The higher output of cotton was the result of increased productivity. In the case of groundnut both area and yield increases contributed to higher output. Another crop which has emerged as an important crop is potatoes whose production has jumped up by nearly 25 per cent and a sharp increase has taken place in acreage in major producing states of Uttar Pradesh and West Bengal. The decline in sugarcane production was largely due to lower yield caused by heavy floods in Uttar Pradesh. Trends in the production of major crops in recent years are presented in the following table :

TABLE 2.1

Agricultural Production

(Million tonnes/bales*)

Crop	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Rice	43.07	39.25	44.05	39.58	48.74	41.92	52.67	53.83
Wheat	26.41	24.74	21.78	24.10	28.85	29.01	31.75	34.98
Other cereals	24.60	23.13	28.83	26.13	30.40	28.88	30.02	30.39
Pulses	11.09	9.91	10.01	10.02	13.04	11.36	11.97	12.17
Foodgrains	105.17	97.03	104.67	99.83	121.03	111.17	126.41	131.37
Oilseeds (major)	8.75	6.86	8.85	8.53	9.91	7.83	9.00	9.55
Sugarcane (Gur)	11.63	12.76	14.43	14.72	14.41	15.85	17.96	16.04
Cotton (Lint)	6.95	5.74	6.31	7.16	5.95	5.84	7.24	7.93
Jute & Mesta	6.83	6.09	7.68	5.83	5.91	7.10	7.15	8.29
Potatoes	4.83	4.45	4.86	6.23	7.31	7.17	8.14	10.13

*170 kgs. each for cotton and 180 kgs. each for jute and mesta.

2.4 The performance of agriculture in 1978-79 confirms that Indian agriculture is becoming capable of taking better advantage of favourable weather conditions through the adoption of improved technology. Even though the overall weather conditions during 1978-79 in terms of extent and spread of rainfall were not more favourable than those in 1975-76, foodgrains production in 1978-79 was 10 million tonnes higher than the level in 1975-76. Moreover, both in 1977-78 and 1978-79 the actual production turned out to be more substantial than was anticipated initially.

Performance in 1979-80

2.5 With favourable weather and good harvests in the past two years in succession, and in three out of four years since 1975-76, an adverse turn in the weather was not entirely unexpected. As it turned out, the country experienced one of the worst droughts in recent years. It was remarkable that the country was able to withstand the impact of such a drought better than in the past. This was made possible by the enhanced resilience in the agricultural sector due to concerted efforts made since the late 60s. The availability of ample stocks of foodgrains built up in the past, the steps taken to minimise the production losses, and timely transportation and distribution of required foodgrains, enabled the country to meet, from its own resources, the food requirements of all areas including drought relief on a massive scale.

2.6 Both the pre-monsoon rainfall and the south-west monsoon were erratic and deficient. The deficiency of rains was particularly marked in Punjab, Haryana, Rajasthan, Uttar Pradesh, Bihar, West Bengal, Madhya Pradesh and Andhra Pradesh. The south-west monsoon was not only delayed but there were continuous dry spells for long periods. This was followed by the early withdrawal of the monsoon. As irrigation is only the recycling of natural rainfall, its ability for counterbalancing the absence of rains is not unlimited. The failure of the monsoon also led to a fall in the water levels of major reservoirs and created problems for states which rely mainly on hydel-power, such as Orissa, Karnataka and Uttar Pradesh.

2.7 The production of *kharif* foodgrains is expected to have declined by about 14 million tonnes. The main setback has been in the case of rainfed crops in the drought affected areas. Among cash crops the performance is somewhat mixed. While the production of sugarcane, cotton and jute is expected to decline from last year's level, the position of oilseeds and pulses is quite encouraging particularly in the western and southern regions where the weather conditions have been satisfactory.

2.8 It is expected that the shortfall in production during *rabi* would only be marginal. Although October rains were also scanty the outlook for *rabi* sowing became promising because of rains late in November. While the area under wheat may not have declined sharply, the late sowing of wheat may result in lower yields. As the favourable spell of weather continued upto the end of December followed by some winter rains, it is expected that the shortfall in foodgrains production may be largely confined to the *kharif* season.

2.9 To meet the drought situation efforts were made to minimise production losses during the *kharif* through better utilisation of available resources of water and power and change in the cropping pattern. Contingency plans were prepared for implementation in drought hit states backed up with necessary supplies of inputs. The measures adopted consisted of streamlining the on-farm distribution of water, cutting down the number of waterings, selective adoption of suitable cropping patterns and adjusting the existing water delivery system to meet the crop requirements. However, the effectiveness of these measures was circumscribed by several factors. As sowing and growth of *kharif* crops was adversely affected in nearly half the meteorological sub-divisions in the country there was a spurt in the demand for power for irrigation from the farms. This could not be met as the position regarding power supply was also very tight. Lower supply of power was compounded by shortage of diesel which reduced the command area of tubewells and pump sets. The insufficient canal water flow, inadequate re-charge of sub-soil water and acute shortage of power and diesel to run the tubewells, were factors which limited the ability of farmers to minimise production losses.

Long term trends

2.10 An analysis of long term trends in Indian agriculture suggests that performance has improved in two important respects following the implementation of the agricultural strategy adopted in the late sixties with its emphasis upon irrigation, better quality seeds and other inputs and improved cultivation practices. There is evidence of a more rapid growth of productivity and there is also evidence of greater stability of output in the event of poor weather conditions.

2.11 Table 2.2 presents growth rates of area, production and yield for major crops for the period 1967-68 to 1978-79, as well as for the earlier period 1952-53 to 1964-65. The two exceptional drought years 1965-66 and 1966-67 have been excluded from

the analysis. Productivity (yield) growth rates are higher in the second period for many crops. This is most dramatically evident in the case of wheat but it is also present in a number of other cases. It is this faster growth of productivity that has ensured that even though area under cultivation grew much more slowly in the second period than in the first, there was no comparable deceleration in production*.

TABLE 2.2

All India Compound Rates of Growth of Agricultural Production, Area Under Crops and Agricultural Yield during 1952-53 *to* 1964-65 *and* 1967-68 *to* 1978-79

Crop/Group of Crops	Production		Area		Yield	
	1952—65	1967—79	1952—65	1967—79	1952—65	1967—79
Rice	3.18	2.64	1.47	0.82	1.68	1.80
Jowar	1.96	2.07	0.40	—1.49	1.56	3.62
Bajra	1.38	0.28	—0.28	—1.26	1.58	1.53
Maize	2.80	—0.04	2.28	0.05	0.51	—0.07
Ragi	2.22	3.98	0.55	1.00	1.66	2.97
Wheat	3.30	6.02	2.31	3.16	0.97	2.76
Barley	—1.62	—1.95	—1.47	—3.36	—0.16	1.39
Cereals	2.74	3.05	0.90	0.41	1.83	2.07
Gram	0.83	0.66	1.15	0.29	—0.31	0.31
Pulses	0.72	0.54	1.35	0.74	—0.62	—0.07
Foodgrains	2.52	2.77	1.07	0.44	1.12	1.84
Groundnut	4.65	1.47	3.78	—0.15	0.84	1.60
Sesamum	—1.24	0.89	—0.24	—0.67	—1.00	1.60
Rapeseed & Mustard	3.28	1.73	2.93	1.07	0.34	0.65
Oilseeds	3.46	1.62	2.80	0.25	0.37	1.26
Cotton	3.32	2.71	1.22	—0.24	2.08	2.95
Jute	4.24	1.51	3.38	0.64	0.83	0.62
Fibres	3.81	2.43	1.56	—0.13	1.85	2.44
Tea	2.20	3.66	0.64	0.57	1.56	3.08
Coffee	7.78	5.29	2.71	4.24	4.94	1.00
Sugarcane	5.91	3.80	4.03	2.96	1.82	0.78
Tobacco	2.96	2.18	1.46	—0.23	1.48	2.43
Non-Foodgrains	3.87	2.88	2.31	1.19	1.24	1.25
All crops	2.90	2.81	1.31	0.63	1.21	1.63

*It must be noted that except in the case of wheat the increase in the rate of growth of productivity in other crops does not appear to be statistically significant. However, this may only reflect the fact that the increase in productivity growth in other crops occurred later than in wheat and we do not yet have experience over a sufficient length of time for the measured increases in productivity shown in Table 2.2 to be statistically significant.

NOTE : Growth rates for various groups of crops are based on weights corresponding to the weighing diagram for the trie nnium ending 1969-70.

2.12 The compound growth rate of foodgrain production has increased from 2.52 per cent during 1952—65 to 2.77 per cent during 1967—79 even though area grew at less than half the rate in the later period. The growth rate in the case of wheat has nearly doubled from 3.3 per cent to a little over 6 per cent. This was the result of a very sharp increase in productivity growth from just under one per cent per year to 2.76 per cent and also an increase in growth of area from 2.31 per cent to 3.16 per cent per year. Jowar and ragi improved their overall production performance due to faster productivity growth which offset a slower growth rate of area. Rice production recorded a lower growth rate of 2.64 per cent in the later period as against the growth rate of 3.18 per cent in the earlier period but this is essentially because of the decline in the rate of growth of area under rice from 1.47 per cent per year in the earlier period to 0.82 per cent in the later period. Rice yields increased slightly faster in the second period, growing at 1.80 per cent per year compared to 1.68 per cent earlier. A point worth noting in the case of rice is the remarkably rapid growth of rice production in the non-traditional rice growing States *e.g.* Punjab, Haryana, Rajasthan and Western Uttar Pradesh. Productivity of foodgrains as a whole is now growing at a rate of 1.84 per cent which is higher than the growth rate of 1.12 per cent registered in the earlier period.

2.13 In commercial crops as a group the growth rate of production at 2.9 per cent is much lower than the rate of nearly 4 per cent achieved earlier. All the major crops excepting tea have registered lower rates of growth—1.62 per cent against 3.46 per cent in oilseeds; 2.71 per cent against 3.32 per cent in cotton; and 3.8 per cent against 5.91 per cent in sugarcane. The lower rate of growth in production is primarily due to a lower growth rate in area in most crops and an actual decline in areas in some cases. The experience of productivity growth in commercial crops is somewhat mixed. Yields increased at a faster rate in the second period in several cases but in some important crops such as coffee, jute and sugarcane, the growth rate of yields declined. Taken as a group the non-foodgrain crops show no change in the growth rate of yield in the two periods.

2.14 The second aspect of the long term trend in agricultural growth noted above relates to the highly erratic rainfall pattern observed in recent years and its impact on production. A careful examination of the fluctuation in the rainfall pattern based on the number of meteorological sub-divisions getting normal, more than normal (excess) or less than normal (deficient) rainfall in different years shows that from 1967-68 onwards, the weather conditions were more unstable as compared to the earlier period say from 1952-53 to 1964-65 (See Chart). Yet the year to year fluctuations in production in recent years are not more pronounced than in the earlier period. The experience of 1979-80 also fits in with this conclusion. Despite an extremely severe drought foodgrains output is expected to decline by only 12 per cent below the peak level in 1978-79. By contrast in 1965-66 foodgrains production declined by 19 per cent below the peak level of 1964-65.

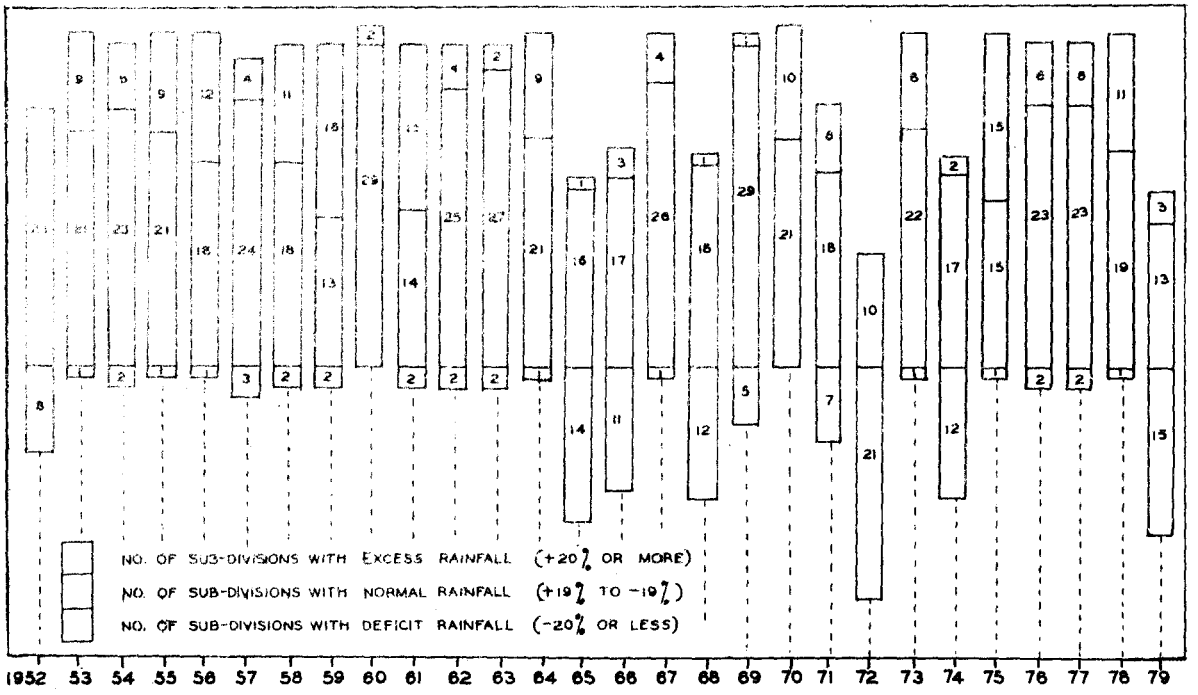
2.15 One aspect of agricultural production which is a cause for concern is that while production of cereals, sugarcane and cotton has shown satisfactory growth, the production of pulses and to some extent also oilseeds continues to remain relatively stagnant. In the case of pulses the growth of production is unsatisfactory principally because of the absence of any technnological breakthrough in these crops, and also because prices of other crops which have benefited from productivity breakthrough are maintained through price support operations, thus tilting profitability in their favour. In the case of oilseeds some improvement has taken place in productivity, particularly in the case of groundnut the yield of which has increased at a rate of 1.60 per cent during 1967—79 as against 0.84 per cent during 1952—65. The area under the crop has, however, remained stagnant due to relatively lower returns as prices were deliberately kept low by allowing imports.

2.16 The slow growth in the production of both pulses and oilseeds in relation to growth in population has introduced some imbalances. In the case of pulses this has resulted in high prices and low per capita availability of this essential source of protein for the masses. Domestic shortage of pulses also cannot be supplemented through imports since the commodity is not available in the world market. In the case of edible oils, however, the country is becoming increasingly dependent on large scale imports, currently of the order of 10 lakh tonnes, costing over Rs. 600 crores per annum. However, dependance of this order on imported edible oils cannot be allowed to continue and steps have to be taken to reduce the inflated demand on the one hand and to raise domestic supplies of oilseeds and edible oils on the other.

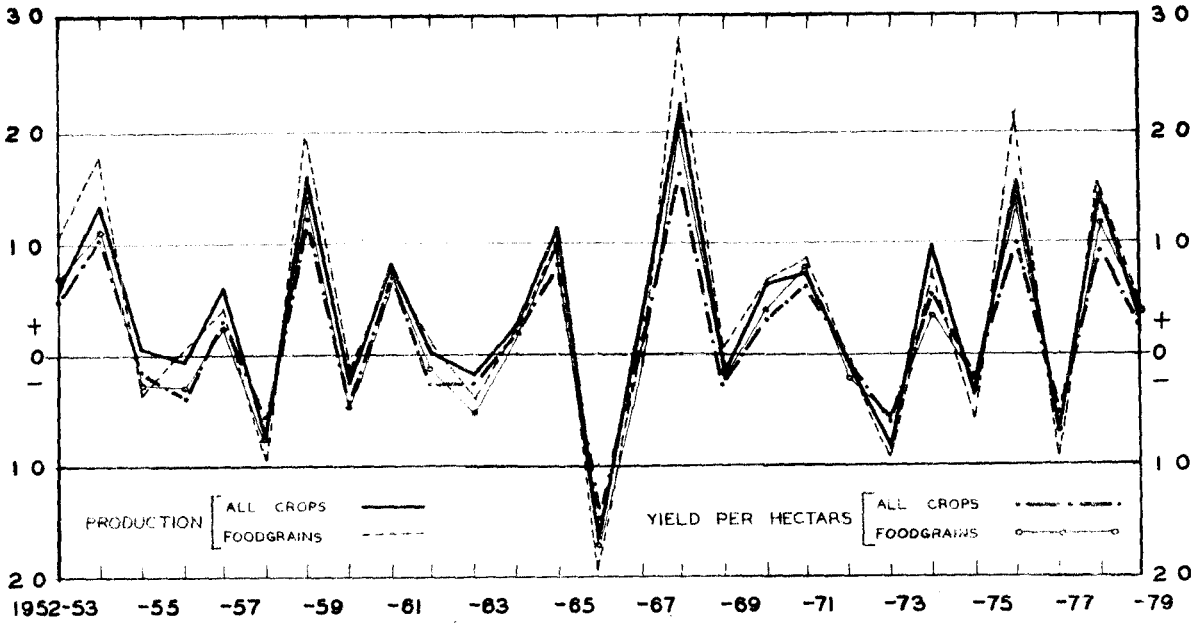
2.17 Efforts have been made in recent years to raise the output of these crops through the introduction of improved varieties and supply of quality seeds, adoption of improved cultural practices including plant protection support and introduction as a part of a multiple cropping system in irrigated areas etc. But so far we have not been able to achieve any notable success in this direction. The promise held

YEARLY DISTRIBUTION OF MONSOON RAINFALL OVER INDIA

1952-1979



VARIATIONS IN AGRICULTURAL PRODUCTION AND PRODUCTIVITY



MINISTRY OF FINANCE, ECONOMIC DIVISION.

GMGIPMKND-PLW-405/3/FINANCE/79-80-CHART II

by non-traditional oilseeds like soyabean and sunflower is yet to be realised on any significant scale.

2.18 It seems that comparative advantage continues to be tilted in favour of crops like wheat and rice which enjoy the dual benefit of technological breakthrough and remunerative procurement prices. Sugarcane is another crop which enjoys a special advantage in terms of higher state advised prices for sugarcane paid by sugar factories to the farmers over and above the minimum prices fixed by the Central Government. As a result these crops yield better returns. The consequence of better returns is that the gains from new irrigation and increase in gross cropped area get pre-empted by these crops and exacerbate the imbalance in the cropping mix. The imbalance in the cropping mix will continue until such time as a technological breakthrough is achieved in the stagnant crops. As policy initiatives even if vigorously pursued, take time to yield results, the reality of a continued decline in per capita domestic availability of these essential items and dependence on imports, as in the case of edible oils, has to be faced at least in the medium term.

Agricultural inputs

2.19 During 1978-79 an additional area of 2.65 million hectares is expected to have been brought under irrigation, of which nearly half will be contributed by major and medium projects and the remaining half through minor works. The target for 1979-80 has been placed at 2.6 million ha. However, the medium term prospects of raising the growth rate of irrigation further to any significant extent are not encouraging. In the first place, the available resources of trained man-power are limited and can be increased only gradually. Secondly, there is growing shortage of building materials and their prices have also been rising very sharply. The rise in project costs disturbs their completion schedules and slows down the progress of works. However, since expansion of irrigation will continue to be strongly emphasised for raising agricultural output and employment the removal of above mentioned constraints deserves urgent attention.

2.20 The consumption of fertilisers has continued to increase after recovering from the set-back experienced in 1974-75, when fertilizer prices were raised sharply due to the increase in the price of feedstock and supplies were also limited. The average annual increase during the last four years has been of the order of 20 per cent. Moreover, the trend continues to be towards a more balanced use of different nutrients. The increase in consumption has been particularly marked in the states of Uttar Pradesh, Gujarat, Haryana, Punjab, West Bengal, Andhra Pradesh, Jammu and Kashmir, Tamil Nadu, Rajasthan and Madhya Pradesh where it has nearly doubled since 1975-76. Yet there are wide differences in per hectare consumption in different states ranging from 2.4 kgs. in Assam to 94.47 kgs. in Punjab, with the average for the country being about 30 kgs. nutrient in 1978-79. Fertilizer consumption continues to be concentrated in about 60 districts in the state of Punjab, Haryana, Uttar Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh, Gujarat, Maharashtra, Rajasthan and West Bengal. These districts accounted for over 50 per cent of total consumption in 1975-76. The position has since improved only marginally.

2.21 The rapid increase in fertilizer consumption in recent years has been facilitated by downward revisions effected in fertilizer prices during 1975-76 and by maintaining them at the reduced level, thereafter, despite appreciable increase in their cost of production and imports. This appreciable increase in fertilizer consumption has, however, led to an increasing the burden of subsidy on the one hand and higher import bill on the other. In view of recent increase in the price of feedstock it will become increasingly difficult to maintain the supply price at the existing low level.

2.22 Fertilizer consumption increased sharply from 4.3 million tonnes in 1977-78 to 5.1 million tonnes of nutrient in 1978-79. In 1979-80 some setback in fertilizer consumption was expected on account of widespread drought. However, contrary to expectations, fertilizer consumption during the *kharif* season has increased further by 6.6 per cent, over the corresponding level of 1978-79. The bulk of fertilizers is consumed during the *rabi* season and as weather conditions have remained by and large favourable during the germination period, its consumption during *rabi* may go up by 3 per cent over last year's level. The overall increase in fertilizer consumption may be of the order of 4 per cent.

2.23 The area under high yielding varieties of seeds, a key element of the new technology, is continuing to grow appreciably from year to year. During 1978-79 an additional area of over 3 million hectares is expected to have been covered under such seeds, taking their total coverage to over 41 million hectares. The growth of area under high yielding varieties of rice has been particularly impressive in recent years, having gone up from 12.4 million hectares in 1975-76 to 16.9 million hectares in 1978-79. Due to adverse circumstances during kharif 1979-80 season the area under high yielding varieties is likely to have

declined to some extent. However, even as considerable progress has been made in the arrangements for production and supply of quality seeds and the existing agencies are able to meet the normal requirements to a large extent, it has not so far been possible to build up adequate stocks of seeds of suitable varieties of different crops to meet the un-foreseen demand created by natural calamities. The need for building up such reserve stocks has been highlighted by the experience of both 1978-79, when large parts of the country experienced heavy floods, and 1979-80 when many areas suffered from severe drought. As a result, the concerned agencies were put under great pressure to supply seeds of various crops/varieties which could better withstand the adverse weather conditions. The ability to minimise losses under such eventualities greatly depends on advance preparedness. Makeshift arrangements to meet the un-foreseen situation after the calamity has already occurred can at best meet with marginal success. The National and State Seeds Corporaitons and other concerned agencies, including the research institutions, will have to pay greater attention to this problem and intensify efforts already undertaken in this direction.

2.24 In order to maintain and further expand the productive base of agriculture, the flow of institutional credit to agriculture and allied activities is continuously being increased. This is being done by pursuing a multi-agency policy (Cooperatives, Land Development Banks, Commercial Banks, Regional Rural Banks, Farmers Service Societies etc.), strengthening and re-vitalising of primary cooperative societies, removal of regional imbalances in the flow of credit, opening of more branches of commercial banks in rural areas and increasing their lending to small farmers and other weaker sections of the society etc. Considerable progress has been made in the efforts. In the cooperative sector the estimated disbursement of loans by cooperative societies in 1978-79 was Rs. 1648 crores of which Rs. 1164 crores were short-term and Rs. 484 crores were term loans. This was about Rs. 139 crores more than the amount advanced in 1977-78. Direct advances of scheduled commercial banks to agriculture increased to Rs. 670 crores from 569 crores in 1977-78. Direct institutional finance to agriculture, including Government loans, aggregated Rs. 2658 crores in 1978-79 compared with Rs. 2186 crores in 1977-78.

2.25 While in aggregate quantitative terms the progress in the growth of agricultural credit is by no means modest, there is a long way to go to make institutional credit adequate to meet the credit needs of agriculture. Moreover, the existing credit structure continues to suffer from various shortcomings and is beset with problems which need to be tackled earnestly so as to make credit a more effective instrument for the spread of modern technology and for raising productivity. These are : uneven distribution (among regions and among various categories of farmers), unsatisfactory management of cooperatives, accumulation of overdues, seriously preventing re-cycling of funds, procedural delays, lack of coordination among various agencies involved in the disbursement and utilisation of funds etc. Efforts have been made particularly at the policy level to overcome these deficiencies. However, a more determined effort, is required to be made in this direction at the ground level. The recommendations made by the Reserve Bank of India Working Group appointed in 1978 regarding simplification of loan procedures should be implemented with a sense of urgency to facilitate the flow of credit to the genuinely weak among the farming community. It is also important to ensure re-cycling of funds through timely recoveries as it is only in this way that the benefit of bank credit can be made available to a progressively larger number of borrowers especially those belonging to the weaker sections.

Policy Development

2.26 With a view to improving the economic condition of agriculturists, Government continued and vigorously pursued a policy of increasing investment for developing agricultural infrastructure, according high priority to irrigation, providing of incentive prices for agriculture crops through strengthening of the regime of support/procurement prices and continued subsidising agricultural inputs.

2.27 In the context of severe drought during *kharif*, steps were taken by Government to help farmers in the drought affected areas. As the rainfall during the period October, 1979 to May, 1980 was also deficient causing drought conditions to continue in most of the states affecting 220 million population, the present Government immediately after assuming office mounted relief operations on a massive scale in the worst affected states of Andhra Pradesh, Bihar, Madhya Pradesh, Uttar Pradesh, Rajasthan and Orissa. Central teams were deputed to these and other states and an additional allocation of Rs. 175 crores was made for drought relief. More than 10 lakh destitutes were daily provided free food. In addition, about 65 lakh persons were daily employed under the special Food-for-Work Programme. Government has decided to continue this programme till September, 1980. It has also bee decided that the existing subsidy on agricultural inputs, including

nitrogenous fertilizers, to small and marginal farmers in the mono-cropped drought affected areas where no *rabi* crops could be grown has also been extended till the end of September, 1980. A 12-point Programme of drought management has been evolved and recommended to the states which provides the basic frame-work and approach in fighting the drought. This includes monitoring of food, employment and drinking water situation, setting up of feeding centres for destitutes, provision of drinking water, medical care and cattle care, afforestation and soil conservation. Measures have also been initiated to ensure provision of drinking water facilities to every village in the drought hit areas and all available supplies of rigs are being procured and commissioned for boring wells.

2.28 A notable policy development during 1979-80 was the commitment of the Government to fix support/procurement prices before the commencement of the sowing season with a view to helping the farmers to plan changes in the cropping pattern in an informed manner. In the case of *kharif* crops Government has allowed a substantial increase in procurement prices of paddy and coarse grains from Rs. 85 per quintal to Rs. 95 per quintal. The minimum support price of raw jute was raised from Rs. 150 to Rs. 155 per quintal and of cotton from Rs. 255 to Rs. 275 per quintal. A substantial increase was allowed in the case of sugarcane when the statutory minimum price payable by mills was increased by 25 per cent from Rs. 10 to Rs. 12.50 per quintal. The increases affected in the case of *kharif* cereals and sugarcane were considerably more than those recommended by the Agricultural Prices Commission. In respect of oilseeds the minimum support price of groundnut was raised from Rs. 175 to Rs. 190 per quintal but that of soyabean and sunflower seed has been allowed to be maintained at Rs. 175 per quintal. The support price of arhar and moong has been raised by Rs. 10 to Rs. 165 and Rs. 175 per quintal respectively and that of urad has also been fixed for the first time, at Rs. 175 per quintal.

2.29 Keeping in view the increases in the marketed surpluses and the need to ensure that the benefits of price support reach a larger number of farmers, the official agencies have further streamlined their purchase/procurement arrangements in this regard. The Cotton Corporation of India and the Jute Corporation of India have extended their operations by making larger volume of purchases during the year. Similarly, the National Agricultural Cooperative Marketing Federation has also increased its activities in the purchase of oilseeds, pulses, potatoes and onions.

2.30 A number of programmes such as SFDA/DPAP have been launched under the various plans to tackle the problem of rural unemployment and under-employment. It is, however, felt that these programmes have touched the landless population only marginally. Moreover, it was rather anomalous that a large section of the rural community should remain idle and suffer from hunger and malnutrition at a time when the country was no longer deficit in the supply of foodgrains. In this context the Food-for-Work Programme was conceived in 1976-77 to tackle the problem of rural unemployment through a programme of infrastructural development and creation of community assets in rural areas to provide additional employment opportunities to rural unemployed/under-unemployed with wages wholly or partly paid in foodgrains. Within a short period it has developed into an effective instrument of employment generation and rural development. As mentioned earlier, this programme proved quite useful in meeting the recent drought situation. During 1979-80 a quantity of around 25 lakh tonnes of foodgrains is likely to have been utilised under the programme on development works such as minor irrigation, construction of field channels and land levelling, soil conservation and afforestation, flood protection and construction and repair of roads, community buildings etc. These works are reported to have generated additional employment to the tune of 100 crore man-days during 1979-80. The programme is being revamped and suitably modified in the light of evaluation reports on its implementation at the ground level. The programme is expected to be strengthened and expanded on a big scale as it has potential to become a focal programme for generation of rural employment in the coming years.