I Rural Economic Environment

The Indian economy is poised for double-digit growth as revealed from the growth rate exceeding 9 per cent in the Gross Domestic Product (GDP) during the last two years. Keeping pace with the trend, dominance of the services sector, which grew at 11 per cent and the industry sector with a growth of 12.3 per cent have contributed to the overall growth of GDP (9.4%) during 2006-07. Major macro economic indicators of the economy also showed improvement. The Gross Domestic Savings and the Gross Domestic Investments as a percentage to GDP increased to 32.4 and 33.8 during 2005-06 from 31.1 and 31.5, respectively, during 2004-05. Revised budget estimates indicate that fiscal deficit as a percentage to GDP declined to 3.7 during 2006-07 from 4.1 during 2005-06, whereas, primary deficit was just 0.2 per cent of the GDP during 2006-07 and budget estimate for 2007-08 points towards a further decline.

1.2 Growth in agriculture sector at 2.7 per cent during 2006-07 as against 6 per cent during the previous year resulted in its share in total GDP declining from 19.9 per cent (during 2005-06) to 18.5 per cent (during 2006-07). While overall macro economic fundamentals are robust (with tangible progress in fiscal consolidation, strong balance of payments position, upsurge in investment, etc.), certain areas of concern like inflation, non-inclusive growth, tardy growth in agriculture, etc., still afflict the economy. Average growth rate of around 2 per cent in GDP originating from agriculture and allied activities during the Tenth Plan as against the targeted 4 per cent is an area of concern, especially in the wake of the launch of the Eleventh Plan; wherein, plan projections are based on a steady and sustained improvement in the performance of the agriculture sector. The draft plan document reiterates the achievement of 9 per cent growth rate in overall GDP and 4 per cent growth rate in GDP from agriculture during the plan period. Sections to follow overview the trend in agriculture and rural sector in the Global and Indian Economies.

Global Economy

A. Economic Scenario

1.3 The global economy showed a growth at 5.4 per cent during 2006 and was expected to grow at 4.9 per cent during 2007 (Table 1.1). Policy tightening by major central banks had a marked impact on inflation during March–September 2006. The expansion of global output has been accompanied by stable growth in world trade volume, reasonably stable world trade prices, supportive growth in net capital flows to emerging market economies and developing countries. Despite virtuous phase of global economic activities providing a conducive environment for deepening the process of development, certain downsides such as huge current account deficit of USA (5% or more of GDP), stumbling blocks in the World Trade Organisation (WTO) negotiations, volatility in oil prices, etc., persist.

B. World Trade Organisation - Update

1.4 The deadlock in the WTO negotiations continued during the year. The deadlines decided at the Hong Kong Ministerial Round of WTO to establish modalities for Agricultural Market Access (AMA) and Non-Agricultural Market Access (NAMA) by 30 April 2006, submit the draft schedule by 31 July 2006 and conclude the negotiations across all areas of the Doha round by the end of 2006, were missed despite intensive discussions. The discussions on issues of Domestic Support, AMA and NAMA failed to reach a consensus, forcing the

Table 1.1: Overview of Global Economy			
(Annual percentage change)			
Growth	**2005**	**2006**	**2007***
A. GDP (Real)			
a. World Output	4.9	5.4	4.9
b. Advanced Economies	2.5	3.1	2.5
i. United States	3.2	3.3	2.2
ii. Euro Area	1.4	2.6	2.3
iii. Japan	1.9	2.2	2.3
iv. Newly Industrialised Asian Economies	4.7	5.3	4.6
c. Other Emerging Markets and Developing Economies	7.5	7.9	7.5
i. Developing Asia	9.2	9.4	8.8
ii. China	10.4	10.7	10.0
iii. India	9.2	9.2	8.4
iv. ASEAN – 4@	5.2	5.4	5.5
B. Consumer Prices			
i. Advanced Economies	2.3	2.3	1.8
ii. Other Emerging Markets and Developing Economies	5.4	5.3	5.4
C. World Trade Volume (goods & services)	7.4	9.2	7.0

** : Projections.*
@ : Includes Indonesia, Malaysia, Philippines and Thailand.
***Source :** World Economic Outlook, IMF, April 2007*

members to suspend negotiations across all areas of the Doha Work Programme and resolve to resume when the negotiating environment improves.

1.5 Along with other developing countries, especially with alliance partners in the G-20 and G-33, India has been arguing for removal of distorting subsidies and protection measures by developed countries and appropriate provisions designed to safeguard food and livelihood security, and to meet rural development needs. India has taken the stand that the government should be able to maintain price stability and provide remunerative prices to the domestic producers in order to increase productivity and to move away from low productive agriculture. India has welcomed the resumption of negotiations on 16 November 2006 and the subsequent full-scale resumption on 7 February 2007 on the principle that it preserves the architecture of the negotiations, inclusiveness, and the progress made so far, and leads to an outcome that is balanced, ambitious, and pro-development.

Indian Economy

A. Economic Scenario

a. Gross Domestic Product

1.6 The economy showed growth of 9.4 per cent during 2006-07 as against the growth of 9 per cent during 2005-06 (at 1999-2000 prices). Average annual growth rate during the Tenth Plan period (2002-07) at 7.6 per cent was close to the target of 8 per cent. The marginal shortfall was due to 3.8 per cent growth recorded during the first year of the Plan. During 2006-07, the growth in real GDP originating from agriculture and allied activities was 2.7 per cent as against 6 per cent during 2005-06, from industry and services sectors 12.3 and 11 per cent as against 9.6 and 9.8 per cent during 2005-06, respectively, thus contributing to the overall growth of 9.2 per cent in GDP. The select economic indicators of the Indian Economy are given in Table 1.2.

1.7 With variations in sectoral growth during 2006-07, share of the agriculture sector in total GDP declined to 18.5 per cent from 19.9 per cent, that of the industry sector increased marginally to 26.4 per cent from 26.1 per cent and that of the services sector increased to 55.1 per cent from 54 per cent, over the previous year. During the period 2002-07, the share of agriculture and allied activities declined by 3.4 percentage points (Table 1.3). With almost stable share in the workforce depending on agriculture and allied activities, declining share of the sector in GDP is a pointer to the growing inequality in the economy.

b. Consumption, Savings and Investments

1.8 Private final consumption expenditure (PFCE) as a proportion to GDP in the economy declined from 58.9

Table 1. 2: Economic Indicators			
Particulars	**2004-05**	**2005-06**	**2006-07**
Growth in (%)			
(a) Overall GDP ^	7.5	9.0Q	9.4RE
(b) GDP from Agriculture & Allied Activities^	0.0	6.0Q	2.7RE
(c) Foodgrains Production	-6.9	5.1	1.5#
(d) Industrial Production	8.4	8.2	11.1B
(e) Inflation as measured by WPI	5.1	4.4	5.4
Domestic Savings (as % of GDP)^	31.1	32.4Q	N.A
Fiscal Deficit (as % of GDP)^	4.0	4.1P	3.7RE
Trade Balance (US$ billion)	- 28.0	-46.1	55.8C
Foreign Exchange Reserves (US$ billion)@	141.5	151.6	191.9
External Debt (US$ billion)	123.2	126.4	142.7$

NA : Not Available. P : Provisional Estimate.
Q : Quick Estimate. RE : Revised Estimate.
A : Advance Estimate. B : April-December 2006.
C : April –February 2007. D : April to February 2007
^ : At 1999-2000 prices. # : Advance Estimate as on 4 April 2007.
@ : Excluding gold and SDRs.
$: As at the end of December 2006.
***Source** : 1. Economic Survey 2006- 07. 2. RBI Bulletin, May 2007. 3. DGCI & S*

per cent during 2005-06 to 57.2 per cent, during 2006-07. Decrease in the share of food, beverage and tobacco and increase in spending on transportation and communication was observed as the change during the period. Savings as a percentage to GDP (at current market prices) increased from 31.1 during 2004-05 to 32.4 during 2005-06. Similarly, gross domestic capital formation (GDCF) or investments as percentage to GDP (at current market prices) increased from 31.5 during 2004-05 to 33.8 during 2005-06, mainly due to the improvement in private sector investments from 21.3 to 23.6 per cent of the GDP.

c. Inflation

1.9 One of the areas of concern of the economy is inflation. Annual inflation (year-on-year), measured in terms of variation in wholesale price index (WPI) was at 5.7 per cent as on 31 March 2007, up from 4.0 per cent during the corresponding week of the previous year (1 April 2006). However, average inflation during 2006-07 was 5.4 per cent, higher than 4.4 per cent a year ago. At disaggregate level, while inflation of primary articles reached 10.7 per cent (against 5.4% a year ago) and that of manufactured products reached 5.8 per cent (as against 1.7% a year ago), there was a significant deceleration in inflation of fuel group from 8.9 per cent a year ago to 1.0 per cent. Considering the adverse implications of rising prices, GoI adopted measures such as fiscal and monetary restrictions, demand and supply management of sensitive items, strengthening of public distribution systems, etc.

B. Poverty

1.10 The 61st round of survey, conducted by National Sample Survey Organisation (NSSO) on the incidence of poverty, based on household consumer expenditure for 2004-05, estimated the poverty ratio at 21.8 per cent (21.8% in rural areas and 21.7 % in urban areas). In this method, the consumer expenditure for five non-food items (clothing, footwear, durable goods, education and institutional medical expenses) was collected from

Table 1.3: Sectoral Growth Rates of Real GDP

(Per cent)

Sector	2002-03	2003-04	2004-05	2005-06 Q	2006-07 RE
Agriculture & Allied	-7.2 (21.9)	10.0 (22.2)	- (20.8)	6.0 (19.9)	2.7(18.5)
Industry	7.1 (25.9)	7.4 (25.8)	9.8 (26.0)	9.6 (26.1)	12.3 (26.4)
Services	7.4 (52.2)	8.5 (52.0)	9.6 (53.2)	9. 8(54.0)	11.0 (55.1)
Total GDP at factor cost	**3.8 (100.0)**	**8.5 (100.0)**	**7.5 (100.0)**	**9.0(100.0)**	**9.4(100.0)**

Q: Quick Estimate. RE: Revised Estimate. - : Nil Figures in parentheses indicate percentage share in GDP.
***Source:** 1. Economic Survey 2006-07. 2. Central Statistical Organisation, GoI.*

a 365 day recall period and consumption expenditure for the remaining items was collected from a 30 day recall period. These poverty estimates are broadly comparable with the estimate of 26.1 percent made during the 55th round of NSSO in 1999-2000.

C. Employment

1.11 An all-India survey on the 'Situation of Employment and Unemployment in India' was carried out as part of the annual series in the 60th round by the NSSO during January-June 2004, covering 59,159 households (37,883 and 21,276 in rural and urban areas, respectively) and 3,03,828 persons (2,04,403 and 99,425 in rural and urban areas, respectively) with the objective to provide estimates on various characteristics of employment and unemployment in India (Box 1.1).

D. Trade

1.12 India's stake in world merchandise exports showed improvement in 2005 and 2006, scaling-up its share to 1 per cent from 0.8 per cent during the period 2001-04, a step towards reaching the target of 1.5 per cent of the world export by 2009. The export growth was 27.2 per cent during April–September 2006, but decelerated to 14.3 per cent during October-February 2006-07, thus registering an overall growth of 19.3 per cent (April-February 2006-07) as against 26.3 per cent during the corresponding period of the previous year. Total imports during April-February 2006-07 increased by 27.8 per cent compared to 32.7 per cent increase during the corresponding period of 2005-06. Agricultural exports increased by 23.5 per cent during 2006-07 (April-November) compared to 20.4 per cent increase during the same period of the previous year. During 2006-07 (April- February), non-oil imports grew by 25.7 per cent and accounted for almost 64 per cent of the rise in total imports. The share of agricultural exports in total exports declined to 10.2 per cent during 2005-06 from 12.9 during 2002-03 (Table 1.4).

Mussels being harvested in backwaters of Kerala

Box 1.1
Status of Employment

- Around 44% and 51% of the persons in rural and urban areas, respectively, were in labour force i.e. those either working or seeking/available for work, the corresponding percentages for males were 55 and 56 and for females were 32 and 16.
- Around 43% and 35% of persons in the rural and urban areas, respectively, were employed(engaged in economic activity) during the reference period of 365 day preceding the date of survey. For males, the percentage was 54 in both the rural and the urban areas, and for females, 32 in the rural and 15 in the urban areas. The share of the unemployed in the population was negligible (0.7% and 1.7% in the rural and urban areas, respectively).
- In rural areas, around 57% among males and 62% among females were self-employed. The corresponding proportions in urban area were 44% and 45% for males and females, respectively.
- In rural areas, 66% and 84% of employed males and females, respectively, were engaged in the agriculture sector.
- In rural area, on an average, a male and a female casual labourer earned Rs.57 and Rs.36 per day; whereas in urban areas, the corresponding wages were Rs.76 and Rs.44, respectively.

E. Agricultural Marketing and Commodity Futures

1.13 The country, as at end-March 2006, was serviced with 7,566 regulated and 21,780 rural primary /periodic agricultural markets. On an average, 21 villages were served by one rural market. While every village in Kerala

Table 1.4: Trends in Exports and Imports				
				(US $ billion)
Year	**Total Exports**	**Share of Agri. in Total Exports (%)**	**Total Imports**	**% Share of Agri. in Total Imports (%)**
2002-03	52.72 (20.3)	12.9	61.41 (19.5)	4.6
2003-04	63.84 (21.1)	11.9	78.15 (27.3)	4.7
2004-05	83.54 (34.0)	10.5	111.52 (42.7)	3.5
2005-06R	103.10 (20.5)	10.2	149.17 (33.8)	2.3
2005-06R*	91.52 (26.3)	9.4**	129.10 (32.7)	NA
2006-07P*	109.20 (19.3)	14.1**	165.00 (27.8)	NA

*R : Revised. P : Provisional. * : April to February. ** : April to November. NA : Not Available.*
Figures in the parentheses refer to percentage change over the previous year.
***Source:** 1. DGCI&S, Kolkata. 2. Economic Survey.*

has a market, in Himachal Pradesh, 667 villages on an average were served by one market. Model Act formulated by the Ministry of Agriculture to inspire marketing reforms to meet the emerging demand, enables public private partnership, contract farming, establishment of private markets and direct purchase centres, etc. In an effort to improve agricultural marketing, 15 State Governments and 5 Union Territories (UTs) have amended their Agricultural Produce Marketing Committee Act to meet the requirements and to take advantage of the liberalised and globalised economy. Various private initiatives due to developments in Information and Communication Technology (ICT) have further improved agricultural marketing. As at end-December 2006, 94 commodities were traded in the commodity futures market, including major agricultural commodities. Trade in commodity derivatives increased from Rs.1.29 lakh crore during 2003-04 to Rs.27.39 lakh crore during 2006 (April-December). Of the total transactions, 59 and 34 per cent were shared by the Multi-Commodity Exchange and the National Commodity Derivatives Exchange, Mumbai, respectively.

F. Support Prices, Procurement and Stock of Foodgrains

1.14 Farmers are offered remunerative prices through the announcement of Minimum Support Prices (MSP) for major crops to avoid distress sales as also to enable procurement of foodgrains by the Government. During 2006-07, per quintal MSP was increased for common variety of paddy from Rs.570 to Rs.580 (1.8%) and for wheat from Rs.650 to Rs.750 (15.4%), over the previous year. During 2006-07, the procurement of paddy reached a new peak of 26.7 million tonnes, while wheat procurement was 9.2 million tonnes as against 26.4 and 14.8 million tonnes during 2005-06, respectively. Stock of foodgrains (rice and wheat) at 18.1 million tonnes as on 1 February 2007 was lower than the buffer stock norms of 20 million tonnes.

G. Agriculture and Rural Economy

a. Rainfall Situation

1.15 Cumulative precipitation during the South-West monsoon season (1 June to 30 September) 2006 was

Land preparation for paddy cultivation

Table 1.5: Trends in Rainfall						
Particulars	**South - West Monsoon**			**North - East Monsoon**		
	2004	**2005**	**2006**	**2004**	**2005**	**2006**
A. Cumulative rainfall (% variation from normal)	-13	-1	-1	-11	10	-21
B. Number of Sub-divisions with						
i. Normal	23	23	20	10	6	6
ii. Excess	0	9	6	8	11	3
iii. Deficient/Scanty/No Rain	13	4	10	18	19	27

Normal : ± 19% *Excess : + 20% or more*
Deficient : -20 to – 59% *Scanty : - 60% or less.* *No Rain : - 100%*
***Source :** India Meteorological Department*

close to normal (1% < normal), though inter-temporal and inter-spatial distribution was uneven. The monsoon reached Kerala by 26 May 2006, almost 6 days in advance and covered the entire country by 24 July 2006 with a delay of nine days. Of the 36 meteorological sub-divisions, rainfall was excess/normal in 26 sub-divisions (32 sub-divisions during 2005), covering around 60 per cent of the total number (533) of districts (Table 1.5). Cumulative rainfall during the North-East monsoon season (1 October to 31 December) was 21 per cent below normal as against 10 per cent above normal during the corresponding period of the previous year.

b. Crop Acreage

1.16 Uneven spatial distribution of South-West monsoon caused marginal reduction in crop coverage during *kharif* 2006, mostly under coarse cereals and oilseeds (Table 1.6). However, late monsoon rains during September 2006 helped early sowing of *rabi* crops and increase in area by 2.1 per cent to 63.9 million ha. from 62.6 million ha. during the *rabi* season of the previous year.

c. Relief Package for Distress Prone Districts

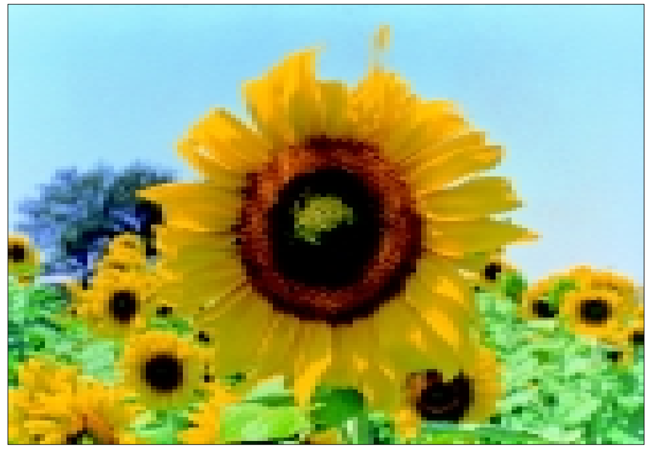
1.17 Moved by a large number of suicides by farmers in certain parts of the country, GoI identified 31 districts in four States, *viz.*, Andhra Pradesh (16), Maharashtra (6), Karnataka (6) and Kerala (3) where the incidence of farmers' suicides has been very high and launched a special rehabilitation package to mitigate their distress. The package, *interalia,* envisaged waiving of interest on overdue loans, as on 1 July 2006, and making them eligible for fresh loan and rescheduling of overdue loan over a period of 3 to 5 years. An amount of Rs.2,718 crore is expected to be waived in these districts and will

Table 1.6: Area Sown under Major Crops

(Million ha.)

Crop	**Kharif**			**Rabi***		
	Normal	**2005**	**2006**	**Normal**	**2005**	**2006**
Paddy	38.2	37.4	37.2	4.9	4.3	4.1
Wheat	-	-	-	26.1	26.7	28.5
Coarse Cereals	22.9	22.8	21.1	6.4	6.3	6.7
Pulses	10.9	11.4	11.5	11.0	13.8	14.2
Oilseeds	15.4	17.7	16.9	8.2	11.5	10.3
Cotton	8.3	8.5	8.9	-	-	-
Sugarcane	4.2	4.3	4.4	-	-	-
Total	**99.9**	**102.1**	**100.0**	**56.5**	**62.6**	**63.9**

***Source**: Ministry of Agriculture, GoI.* ** : Upto 30 March 2007* *- : Nil* be shared equally between the Union Government and the concerned State Governments. During 2006-07, institutional credit flow of Rs.21,422 crore was to be ensured in these 31 districts. In the Union Budget 2007-08, a Special Plan relating to farm credit, involving a sum of Rs.16,979 crore, including Rs.12,400 crore for water related schemes, has been announced (Box 1.2). The plan includes a provision of Rs.153 crore for induction of high yielding milch animals and related activities to augment income of farmers.



Sunflower in full bloom

d. Agricultural Production

i. Foodgrains and Non-Foodgrains

1.18 Production of foodgrains during 2006-07 is estimated to reach 211.8 million tonnes, 1.5 per cent above the achievement of the previous year, however, 3.7 per cent less than the target for the year. During the year, production of wheat and pulses is estimated to increase by 6.2 and 5.2 per cent, respectively, production of paddy to remain almost constant, while that of coarse cereals is estimated to decline by 3.5 per cent. Production of cotton, sugarcane and jute/mesta is estimated to increase by 13.5, 14.8 and 4.6 per cent, respectively, while that of oilseeds is likely to decline by 16.8 per cent as compared to 2005-06 (Table 1.7).

Box 1.2

Union Budget 2007-08: Highlights on Agriculture and Rural Sector

- Plan outlay for agriculture and allied activities has been hiked by 15.8% to Rs.8,558 crore for 2007-08. Additional irrigation potential of 24 lakh ha. to be created under *Bharat Nirman* Programme including 9 lakh ha. under AIBP, with an allocation of Rs.11,000 crore for 2007-08. Creation of 7 million rainwater harvesting structures and dugwells (including 2 million structures for SFs/MFs) with a view to improve groundwater recharge.
- A financial mechanism, similar to Special Purpose Tea Fund launched for re-plantation and rejuvenation of tea, to be put in place for coffee, rubber, spices, cashew and coconut. To enhance pulses production, focus to be given on increasing the production of breeder, foundation and certified seeds.
- Weather Based Crop Insurance Scheme to be implemented on pilot basis in 2 or 3 States by Agricultural Insurance Corporation on an actuarial basis with an element of subsidy. A sum of Rs.100 crore has been allocated for 2007-08. A revamped Training and Visit (T&V) programme to be introduced by MoA in consultation with State Governments. Custom duties to reduce from 7.5 to 5% for sprinkler and drip irrigation systems used for agriculture and horticultural purposes.
- To improve resource base, NABARD is allowed to raise Rs.5,000 crore by issuing 'Rural Bonds', which will be guaranteed by the Government and eligible for suitable tax exemptions. The corpus of the RIDF XIII has been raised to Rs.12,000 crore for 2007-08 from Rs.10,000 crore for 2006-07. A separate window for rural roads to continue under RIDF XIII with a corpus of Rs.4,000 crore.
- Farm credit target for 2007-08 has been fixed at Rs.2,25,000 crore and 50 lakh new farmers to be brought into the banking fold. Interest subvention for short term crop loans of 2 per cent to continue for which a budgetary provision of Rs.1,677 crore has been made. RRBs to take up a branch expansion programme with atleast one branch in 80 uncovered districts.
- Setting-up of a Financial Inclusion Fund with corpus of Rs.500 crore for meeting the cost of developmental and promotional interventions and a Financial Inclusion Technology Fund with corpus of Rs.500 crore to meet the cost of technology adoption with NABARD. The initial amount for these funds to be contributed by GoI, RBI and NABARD.

Table 1.7: Production of Foodgrains and Non-Foodgrains Crops						
						(Million tonnes)
Crop	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	
					Target	**Achievement***
Paddy	71.8	88.5	83.1	91.8	92.8	91.1
Wheat	65.8	72.2	68.6	69.4	75.5	73.7
Coarse Cereals	26.1	37.6	33.5	34.1	36.5	32.9
Pulses	11.1	14.9	13.1	13.4	15.2	14.1
Foodgrains	**174.8**	**213.2**	**198.3**	**208.6**	**220.0**	**211.8**
Kharif	*87.2*	*117.0*	*103.3*	*109.9*	*115.3*	*108.4*
Rabi	*87.6*	*96.2*	*95.1*	*98.7*	*104.8*	*103.4*
Oilseeds	14.8	25.2	24.4	28.0	29.4	23.3
Sugarcane	287.4	233.9	237.1	281.2	270.0	322.9
Cotton@	8.6	13.7	16.4	18.5	18.5	21.0
Jute & Mesta@@	11.3	11.2	10.3	10.8	11.3	11.3

@ : In million bales of 170 kgs. each. *@@ : In million bales of 180 kgs. each.* ** : Advance Estimates as on 4 April 2007.*

***Source** : Ministry of Agriculture, GoI.*

ii. Plantation Crops

1.19 India is the largest producer and consumer of tea accounting for 27 per cent of the global production. Tea production during 2005-06 increased by 12 per cent and reached 9.31 lakh tonnes. During 2006 (April-October), production of tea is estimated at 8.2 per cent higher than the corresponding period of the previous year. However, its exports showed a declining trend (Table 1.8). In order to tackle the issue of low productivity and to make the sector globally competitive, GoI is planning to set up a Special Purpose Tea Fund for supporting its re-plantation and rejuvenation.

1.20 The country shares around 4 per cent of the world coffee production. Stagnation in coffee production at 2.74 lakh tonnes and export at just above 2 lakh tonnes continued during 2005-06 also. In tune with the rise in international coffee price since 2004, wholesale price index of coffee improved in domestic market from 90 as on 24 January 2004 (1993-94 = 100) to 196.2 as on 27 January 2007, boosting the hope of higher production during 2006-07. Similarly, the boosting of WPI of raw rubber in the domestic market to 324.1 as on 27 January 2007 from 176 as on 24 January 2004, enthused farmers in production of rubber.

Table 1.8: Production and Consumption of Major Plantation Crops								
								(Lakh tonnes)
Year	**Tea**			**Coffee**			**Rubber**	
	Production	**Consumption**	**Exports**	**Production**	**Consumption**	**Exports**	**Production**	**Consumption**
2002-03	8.46	6.93	1.84	2.75	0.68	2.07	6.49	6.95
2003-04	8.51	7.14	1.83	2.70	0.70	2.33	7.11	7.19
2004-05	8.31	7.35	2.06	2.75	0.75	2.11	7.49	7.55
2005-06	9.31	7.57	1.81	2.74	0.80	2.02	8.03	8.01
2006-07*	7.23	-	1.14	3.00	0.80	1.31	8.31#	8.41#

** :April-October.* *# : Anticipated.* ***Source** : Ministry of Commerce and Industry, GoI.*

iii. Horticulture

1.21 India ranked second in production of fruits and vegetables in the world during 2005-06. Commercialisation of agriculture has resulted in the shifting of cropping pattern from traditional to new crops. During 2006-07, the area under horticultural crops (fruits, vegetables, spices, floriculture and coconut) as well as their production was both estimated to have increased by 4.2 per cent over the previous year (Table 1.9). With a view to taking advantage of the changed economic environment, GoI has taken various initiatives. The National Horticulture Mission (NHM) launched in May 2005, aimed at doubling horticulture production by 2012, by ensuring an end-to-end approach with backward and forward linkages, covering research, production, post-harvest management, processing and marketing under one umbrella in an integrated manner. During 2006-07, GoI approved action plans under NHM for 18 States, 2 UTs and 10 national level institutions and an amount of Rs.560 crore was released upto 11 December 2006.

e. Agricultural Inputs

i. Seeds

1.22 Indian agriculture is characterised by low seed replacement ratio as more than four-fifths of the farmers use farm saved seeds. Though participation of private sector in production and distribution of seeds is substantial, the public sector dominates the organised seed sector. Private sector accounts for 46 per cent of the total sale of seeds in the country. The production of breeder seeds, which declined from 66,460 quintals during 2004-05 to 65,880 quintals during 2005-06 is anticipated to increase to 69,980 quintals during 2006-07. Production of foundation seeds which was 6.9 lakh quintals during 2004-05, increased to 7.4 lakh quintals during 2005-06 and is likely to reach 8.0 lakh quintals during 2006-07. The distribution of certified seeds increased from 113.1 lakh quintals during 2004-05 to 126.74 lakh quintals during 2005-06 and is anticipated to reach 149.6 lakh quintals during 2006-07.

ii. Irrigation

1.23 Additional irrigation potential created under Accelerated Irrigation Benefit Programme (AIBP), since its inception in 1996-97 (through major/medium irrigation projects upto March 2005) was 3.25 million ha. and through surface MI schemes 1.63 lakh ha. upto March 2006. Central loan assistance/grant under AIBP to State Governments amounted to Rs.19,438 crore, as on March 2006. In order to restore and augment storage capacities of water bodies and to recover and extend their lost potential, a pilot scheme 'National Project for Repair, Renovation and Restoration of Water Bodies' was sanctioned in January 2005 by GoI. The scheme was approved for 24 districts of 14 States covering 1,076 water bodies with total cultivable command area of 2.99 lakh ha. Restoration works have been completed in 232 water bodies and is progressing in those remaining. Irrigation component of ***Bharat Nirman*** envisages the creation of additional irrigation potential

Table 1.9: Area and Production of Major Horticultural Crops

(Area - million ha; Production - million tonnes)

Year	Area				Production			
	Fruits	Vegetables	Flowers	Total Horticulture	Fruits	Vegetables	Flowers	Total Horticulture
2002-03	4.8	5.9	0.1	16.4	49.2	84.8	0.2	152.0
2003-04	5.1	6.7	0.2	20.6	49.8	101.4	0.6	165.5
2004-05*	5.3	7.1	0.1	19.2	52.8	108.2	0.7	177.4
2005-06*	5.9	7.2	0.1	20.0	54.4	113.5	0.8	184.9

Source *: National Horticulture Board.* * : *Estimated.*

of 10 million ha. during the period 2005-09. During 2005-06, against a target of 1.9 million ha., irrigation potential of 1.45 million ha. was created (Box 1.3).

1.24 In order to address the problems of rainfed areas for their sustainable and holistic development and to co-ordinate all the schemes relating to watershed development and other aspects of land use, a National Rainfed Area Authority was established in 2006-07. With an aim to achieve water use efficiency, a centrally sponsored scheme on micro irrigation was launched in January 2006 to cover an area of 6.2 lakh ha. Action plans of 14 States have been approved and Rs.279.4 crore has been released (till November 2006) to cover an area of 3.31 lakh ha. In view of depleting ground water, GoI proposes a programme to improve water recharge by creating 7 million rainwater harvesting structures throughout the country, each costing Rs.4,000.

iii. Fertilizers

1.25 Fertilizer consumption in the country increased from 94.52 kg./ha. during 2003-04 to 104.5 kg./ha. during 2004-05 (Table 1.10). Within the country, per ha. consumption of fertilisers varied widely across States. Fertilizer consumption (kg./ha.) in Punjab (210), Andhra Pradesh (204), Tamil Nadu (184), Haryana (167), Bihar (152), Uttar Pradesh (141) and West Bengal (128) was substantially higher than all-India average, while it was low in Rajasthan (36), Madhya Pradesh (47), Himachal Pradesh (49), Assam (49) and Orissa (57). It was negligible in the States of NER, especially Nagaland (2), Sikkim and Arunachal Pradesh (3). The ratio of consumption of NPK improved from 65:25:10 during 2001-02 to 62:26:12 during 2005-06.

Box 1.3
Ground Water Resources Estimates

The availability of water in the country has been assessed at 1,869 billion cubic meters (bcm), of which, 60% can be utilised (690 bcm of surface water and 433 bcm of replenishable ground water resources). As a result of growing population, the per capita water availability is declining, it will reach about 1,341 cubic meters and 1,140 cubic meters by the year 2025 and 2050, respectively, which will be much below the water-stress threshold of 1,700 cubic meters. The Central Ground Water Board in its report on 'Dynamics of Ground Water Resources of India' published in 2006 has categorised blocks/mandals/ watersheds in the country as 839 over-exploited, 226 critical, 550 semi-critical, 30 saline and 4,078 safe. The report indicates that the annual replenishable ground water resources of the county at 433 bcm, net annual ground water availability at 399 bcm, annual ground water draft for irrigation, domestic and industrial uses at 231 bcm and the stage of ground water development at 58%.

Table 1.10: Consumption of Fertilisers

(NPK in million tonnes)

Year	Nitrogen (N)	Phospho-rous(P)	Potash (K)	NPK Consumption Total	NPK Consumption Kg./ha.
2001-02	113.10	43.82	16.67	173.59	91.13
2002-03	104.74	40.19	16.01	160.94	84.82
2003-04	110.77	41.24	15.98	167.99	94.52
2004-05	117.13	46.24	20.61	183.98	104.50
2005-06	127.23	52.04	24.13	203.40	NA
2006-07$	64.68	25.75	9.67	100.10	NA

$: April – September (provisional). NA: Not Available.
***Source** : Economic Survey 2005-06.*

iv. Agricultural Credit

1.26 The target of Rs.1,75,000 crore of credit flow to agriculture for 2006-07 was fixed by GoI, against which the disbursement by all agencies was at Rs.2,03,296 crore, exceeding the target by 16 per cent. Commercial banks, co-operative banks and RRBs disbursed Rs.1,40,382 crore, Rs.42,480 crore and Rs.20,434 crore during 2006-07, against the targets of Rs.1,19,000 crore, Rs.41,000 crore and Rs.15,000 crore, respectively. Ground Level Credit (GLC) flow for agriculture and allied activities during 2006-07 registered a growth of 13 per cent over the previous year. The GLC flow from commercial banks, RRBs and co-operative banks increased by 12, 34 and 8 per cent, respectively, over the previous year (Table 1.11).

1.27 During the period 2002-06, GLC flow to the agriculture and allied activities witnessed a growth of 37 per cent, with the increase of 32 per cent in crop

Table 1.11: Agency-wise Ground Level Credit Flow								
								(Rs. crore)
Agency	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**Growth Rates (%)**		
						2002-07#	**2005-06***	**2006-07***
Co-operative Banks	23,636	26,875	31,231	39,404	42,480	16	26	8
RRBs	6,070	7,581	12,404	15,223	20,434	35	23	34
Commercial Banks	39,774	52,441	81,481	1,25,477	1,40,382	37	54	12
Other Agencies	80	84	193	382	NA	-	98	-
Total	**69,560**	**86,981**	**1,25,309**	**1,80,486**	**2,03,296**	**31**	**44**	**13**

*# : Compound Annual Growth Rate. * : Percentage change over the previous year. NA : Not Available.*

loan and 46 per cent in term loan disbursements. The GLC flow during 2005-06 reveals that both crop loans (38%) and term loans (53%) witnessed high growth over the previous year. Sub-sectoral credit flow during 2005-06 revealed that it had more than doubled in most of the sectors, except fisheries where it has declined by 22 per cent (Table 1.12).

1.28 The GoI, introduced a farm credit package to double the flow of credit to the agriculture sector within three years ending 2006-07. The responsibility of overseeing the implementation and monitoring the programme was entrusted to NABARD. During the period 2004-07, as against the targeted compound annual growth rate (CAGR) of 26 per cent (to double GLC within 3 year period), a CAGR of 33 per cent has been achieved. During the Tenth Plan period (2002-07), the credit flow to agriculture and allied activities aggregated Rs.6,65,632 crore and has increased at a CAGR of 31 per cent. While the share of commercial banks improved from 57 per cent (2002-03) to 69 per cent (2006-07), that of co-operative banks declined from 34 to 21 per cent and of RRBs increased marginally from 9 to 10 per cent, during the same period

Table 1.12: Sub-sector-wise Ground Level Credit Flow for Agriculture and Allied Activities							
							(Rs. crore)
Sr. No.	**Sector/ Sub-sector**	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**Growth Rate (%)**	
						2002-06@	**2005-06***
I	Crop Loan (ST-Production Credit)	45,586	54,977	76,062	1,05,350	32	38
II	Term Loans (MT & LT Investment Credit)	23,974	32,004	49,247	75,136	46	53
	i. Minor Irrigation	1,976	2,730	4,186	8,663	64	107
	ii. Land Development	393	579	840	1,749	64	108
	iii. Farm Mechanisation	3,600	3,986	4,555	9,695	39	113
	iv. Plantation & Horticulture	1,195	1,436	1,720	4,481	55	161
	v. Animal Husbandry#	2,637	2,928	3,097	7,341	41	137
	vi. Fisheries	539	1,142	1,301	1,019	24	- 22
	vii. Hi-tech agriculture	2,268	4,017	6,648	9,737	62	46
	viii. Others$	11,366	15,186	26,900	32,451	42	21
	Total (I+II)	**69,560**	**86,981**	**1,25,309**	**1,80,486**	**37**	**44**

** : Percentage change over the previous year. @ : Compound Annual Growth Rate.*
 # : Includes Dairy Development, Poultry Farming and Sheep/Goat/Piggery.
$: Others include Storage/Market Yards, Forestry/Waste Land Development, RIDF, Bullock and Bullock Carts, Bio- gas and credit flow through Private Sector Commercial Banks for which sector-wise break-up is not available.

1.29 As envisaged in the strategy to achieve the target for 2006-07, 83.50 lakh new farmers were brought under the institutional fold, 74.70 lakh KCCs were issued, 631 agri-clinics were financed and debt relief of Rs.4,823.37 crore and Rs.673.90 crore to farmers in distress and in arrears, respectively, was extended. The banks also provided Rs.460.06 crore to small and marginal farmers under one time settlement (OTS). Commercial banks, co-operative banks and RRBs extended loans to the extent of Rs.39.69 crore, Rs.12.38 crore and Rs.21.34 crore to 13,202, 9,432 and 5,176 farmers, respectively, to redeem their past debts from informal sources.

Table 1.13: Agency-wise, Year-wise Kisan Credit Cards Issued (As on 28 February 2007)

(lakh)

Year	Co-operative Banks	RRBs	Commercial Banks	Total
2002-03	45.79	9.64	27.00	82.43
2003-04	48.78	12.75	30.94	92.47
2004-05	35.56	17.29	43.95	96.80
2005-06	25.98	12.49	41.65	80.12
2006-07	22.97	14.06	37.67*	74.70
Total#	**327.09**	**82.84**	**255.70**	**665.63**

** : Data for commercial banks available upto 31 December 2006.*
 # : Since inception of the scheme.

Kisan Credit Card Scheme

1.30 The Kisan Credit Card (KCC) scheme introduced in August 1998 for short-term (ST) loans for Seasonal Agricultural Operations (SAO), has been under implementation in all States and UTs by all public sector commercial banks, RRBs and co-operative banks, facilitating smooth flow of crop loans. To further expand the coverage of borrowers under KCC and improve the credit flow under agriculture, the scheme has been extended to borrowers of the long-term (LT) co-operative credit structure, thus paving the way for acceptance of KCC as a single window for comprehensive credit product.

1.31 During 2006-07, co-operative banks, commercial banks and RRBs issued 22.97 lakh, 37.67 lakh and 14.06 1akh cards, respectively (Table 1.13). Of the total 665.63 lakh cards issued by the banking system since inception of the scheme, co-operative banks accounted for the largest share (49%), followed by commercial banks (38%) and RRBs (13%). The banking system has been routing crop loans through KCCs having recognised it as an accepted mechanism for delivery of credit to farmers.

1.32 The State-wise progress in implementation of KCC scheme revealed that Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu and Uttar Pradesh were forerunners in implementation of the scheme, accounting for 75 per cent of the total cards issued by banks across the country. The progress was, however, tardy in Goa, Himachal Pradesh, Jammu & Kashmir, Sikkim and the States in NER.

1.33 Keeping in view the GoI's emphasis on increasing credit flow to agriculture sector, NABARD advised banks to identify and cover all farmers including defaulters, oral lessees, tenant farmers, share-croppers, etc., who might have been left outside the fold of the KCC scheme, for any reasons, as also new farmers so that all farmers are covered under the scheme by 31 March 2007. Further, the banks were advised to issue KCCs in a hassle-free manner, extend crop loans only through KCCs and renew them so as to ensure 'quality in operations'.

H. Capital Formation

1.34 Capital formation is considered to be a pre-requisite for upgrading the technology and improving resource use efficiency in agriculture. Gross Capital Formation in Agriculture (GCFA) sector showed an increasing trend during the period 1960-1978 and a decline thereafter. However, as against marginal negative growth (-0.33%) during the eighties, it showed an increasing trend since 1990. One of the prominent features of the trend in capital formation in agriculture is the declining share of the public sector, especially during the nineties. The share of public sector in the GCFA came down from 33 per cent during 1993-94 to 17.7 per cent during 1999-2000 and improved thereafter to reach 24.2 per cent during 2005-06. The GCFA increased by 12.3 per cent with the increase of 28.7 per cent in public sector and 7.8 per cent in private sector during 2005-06 over previous year.

1.35 The ratio of GCFA to agricultural GDP fluctuated between 7.9 and 9.6 per cent during 1999-2000 and 2005-06 (Table 1.14). Efforts to promote public private partnership (Box 1.4) are expected to bring in favourable impact on capital formation in the sector.

I. Agricultural Insurance

1.36 The National Agricultural Insurance Scheme (NAIS), in operation since *rabi* 1999-2000 and implemented by 23 States and 2 UTs, will be continued in *kharif* and *rabi* 2007-08 seasons. Since inception of the scheme till *kharif* 2006, 858 lakh farmers encompassing 139 million ha. have been covered. The rainfall based crop insurance scheme '*Varsha Bima*' introduced by the Agriculture Insurance Corporation of India (AICI) since *kharif* 2004 is under implementation in 150 districts, covering 16 States during *kharif* 2006. GoI proposes to promote the scheme in 2 to 3 States as an alternative to Agriculture Insurance Scheme (AIS) during 2007-08.

1.37 A Joint Group was constituted by GoI (Chairman: Shri A.K. Singh, Additional Secretary, Ministry of Agriculture, GoI) to review the status of crop insurance, suggest improvements to make it farmer friendly and to assess up-front subsidy to be paid by the Government. The Group has, *interalia*, suggested improvements in NAIS such as actuarial premium rates to be charged, Village Panchayat to be the unit of insurance for major crops, selected pre-sowing and post-harvest losses also to be compensated, provision for 'on account' payment of claims to farmers wherein 50 per cent of likely compensation may be paid in advance subject to adjustment in final payment, threshold yield on the basis of yield of five best out of preceding seven years, etc. The recommendations of the Joint Group and the comments received from State Governments/UTs and various Departments/agencies concerned are under consideration of GoI.

J. Agriculture and Allied Sector

a. Livestock and Poultry

1.38 The country, with 56 and 14 per cent of world's buffalo and cattle population, respectively, has the second largest livestock population in the world after Brazil. The sector contributes 27 per cent of the GDP from agriculture and provides gainful employment mostly to the weaker sections, especially small and marginal farmers and farmers in semi-arid and arid regions of the country. With the estimated milk production of around 100 million tonnes during 2006-07, India maintained its position as the largest producer of milk in the world. During 2005-06, the country produced 46.2 billion eggs, 44.9 million kg. of wool and around 2.31 million tonnes of meat from the organised sector. Per-capita availability of milk has increased from 176 gms/day during 1990-91 to 241 gms/day during 2005-06. Per capita availability

Table 1.14: Gross Capital Formation in Agriculture
(At 1999-2000 prices)

(Rs. crore)

Year	Public Sector	Private Sector	Total	Ratio of GCF in Agriculture to (%)		
				GDCF#	Agri. GDP	Total GDP
1999-00	7,716 (17.7)	35,757 (82.3)	43,473	8.6	8.9	2.2
2000-01	7,155 (18.5)	31,580 (81.5)	38,735	7.7	7.9	1.9
2001-02	8,746 (18.6)	38,297 (81.4)	47,043	9.0	9.1	2.2
2002-03	7,962 (17.0)	38,861 (83.0)	46,823	7.5	9.6	2.1
2003-04	9,376 (20.8)	35,756 (79.2)	45,132	5.8	8.5	1.9
2004-05	10,267 (21.1)	38,309 (78.9)	48,576	4.9	9.1	1.9
2005-06Q	13,219 (24.2)	41,320 (75.8)	54,539	4.5	9.6	1.9

Q : Quick Estimates. *# : Calculated* *Figures in parentheses indicate percentage to total.* ***Source** : Economic Survey 2006-07.*

Box 1. 4

Public Private Partnership in Infrastructure

In the case of infrastructure projects, it has been argued that models involving an enhanced role of the private sector in sharing of finance and risk, while maintaining public accountability are essential. In this context, the concept of Public Private Partnership (PPP)-3Ps had gained significance in the Indian Economy. PPP is a system in which a government or private business venture is funded and operated through a partnership of government and one or more private sector companies. In the Indian context, there are several considerations for promoting such models, the major being the shrinking role of the government, efficiency enhancement, up-gradation of existing services, creativity associated with the involvement of private sector, risk sharing, demand for better services, success stories of PPPs elsewhere in the world, etc.

India had a few notable PPPs even in the 19th century, like the Great Indian Peninsular Railway Company operating between Mumbai and Thane (1853), the Bombay Tramway Company running tram services in Mumbai (1874), and the power generation and distribution companies in Mumbai and Kolkata in the early 20th century. A study conducted by the World Bank in 13 States in 2005 found only 85 PPP projects awarded by States and select central agencies (not including power and telecom) with a total project cost of Rs.33,950 crore. According to a Morgan Stanley report, more than Rs 1,00,000 crore worth of PPP projects are under development in India. GoI, with effect from July 2005, has put into effect a scheme for financial support to PPP for providing financial support to bridge the viability gap of infrastructure projects. Till October 2006, about 31 proposals have been received under the scheme (mostly on ports, roads, highways and rail segments), of which 12 have been given in-principle approval.

of egg improved from 10 to 41 and chicken meat from 0.15 kg to 1.6 kgs between 1970 and 2006.

1.39 A livestock insurance scheme, aimed at protecting farmers against losses due to the untimely death of animals, was approved in February 2006 for implementation on a pilot basis in 100 selected districts with a total outlay of Rs.120 crore. An isolated outbreak of avian influenza, especially in the western part of the country, led to a drastic reduction in demand and prices of poultry products during 2006. This set back to the poultry sector had repercussions on the repayment of bank loans as well. Government initiated various strategic actions to control the outbreak of bird flu. An active surveillance programme for early detection of avian influenza has been put in place. The country was declared free of avian influenza on 18 August 2006, after following stipulated guidelines of World Organisation of Animal Health.

b. Fisheries

1.40 Fisheries sector accounted for nearly 1 per cent of the overall GDP and 5.3 per cent of the GDP from agriculture sector. As a source of livelihood to more than 14 million people and a major foreign exchange earner (Rs.7,245 crore during 2005-06), the sector's importance lies in the employment front as well as in ensuring quality protein to large masses. Fish production in the country increased from 6.30 million tonnes (3.52 million tonnes of marine and 2.78 million tonnes of inland) during 2004-05 to 6.57 million tonnes (3.76 million tonnes of marine and 2.81 million tonnes inland (provisional) during 2005-06. To explore the potential of Indian fisheries to the maximum extent, GoI has constituted a National Fisheries Development Board. The Board, functioning under the Ministry of Agriculture with a budget of Rs.2,100 crore for a period of 2006-2012, was registered in July 2006 under Andhra Pradesh Society Registration Act, 2001.

K. Agro and Food Processing Sector

1.41 In a market governed by consumer preference for processed / ready–to-eat food, the growth of the food processing industries (FPIs), in terms of value addition, becomes critical in minimizing post harvest losses in the agriculture sector and in facilitating farmers to realise remunerative prices for their produce. The estimated wastage losses are between 20 and 30 per cent for vegetables and fruits, valued at about Rs.23,000 crore. The value addition to food production in the country is only 7 per cent compared to as much as 23 per cent in China and 45 per cent in the Philippines. India's share in world trade in respect of processed food is about 1.6 per cent. Average annual growth of FPIs during the five years ending 2003-04 has been 7.1 per cent. The industry is also dominated by the small-scale and unorganised sectors accounting for 75 per cent of the units.

1.42 The Ministry of Food Processing Industries (MoFPI) operated six schemes relating to technology upgradation/establishment/modernisation of FPIs, HRD, quality assurance, codex standards and R & D, strengthening of nodal agencies, backward and forward integration and other promotional activities, and for infrastructure development with an outlay of Rs.650 crore for the Tenth Plan. The amount of subsidy sanctioned by the Ministry during the Tenth Plan (upto December 2005) was Rs.286.09 crore. The installed capacity of fruit and vegetable processing industry has increased from 11.08 lakh tonnes in January 1993 to 21.18 lakh tonnes in January 2006.

1.43 The creation of a specific window in NABARD with a corpus of Rs. 1,000 crore for financing the food processing industry as announced in the Union Budget for 2006-07 is expected to give a further boost to the growth of the industry.

L. Micro and Small Enterprises

1.44 The micro and small enterprises (MSEs) have a significant share in the country's manufacturing output (39%), exports (34%) and the number of people engaged (29.49 million). During the period 2002-06, the annual growth in the number of units established and employment generated was more than 4 per cent while the value of output increased by 10.0 and 10.4 per cent during 2004-05 and 2005-06, respectively (Table 1.15). To avail the benefits of liberalisation and make the sector globally competitive, improve production and service quality, etc., GoI has taken various initiatives during 2006-07 such as, enactment of Micro, Small and Medium Enterprises Development Act, 2006 (Box 1.5), introduced a package for promotion, to address issues such as credit, cluster development, infrastructure, technology, marketing, capacity building, etc., setting-up of a Group of Ministers to lay down a comprehensive policy for cluster development; amendment to the Khadi and Village Industries Commission Act, 1956, etc. Credit outstanding to the small and medium enterprises has increased from Rs.1,35,000 crore (end-December 2005) to Rs.1,73,460 crore (end-December 2006).

Box 1.5

Micro, Small and Medium Enterprises

(Rs. lakh)

Sector/Enterprise	Definition: Investment in Plant and Machinery
Manufacturing/Production of Goods	
Micro	≤ 25
Small	> 25 but ≤ 500
Medium	> 500 but ≤ 1000
Services	
Micro	≤ 10
Small	> 10 but ≤ 200
Medium	> 200 but ≤ 500

Source: *The Micro, Small and Medium Enterprises Development Act, 2006*

Table 1.15: Performance of Micro and Small Enterprises

(Rs. crore)

Item	2002-03	2003-04	2004-05	2005-06
1. No. of Units (million)	10.95 (4.1)	11.40 (4.1)	11.90 (4.4)	12.30 (3.4)
of which Unregistered	9.36	9.70	10.10	10.47
2. Value of Output (1999-2000 prices)	2,10,636(7.7)	2,28,730(8.6)	2,51,511(10.0)	2,77,668(10.4)
3. Employment (million persons)	26.02 (4.4)	27.14 (4.3)	28.26 (4.1)	29.49 (4.4)
4. Exports from SSI	86,013 (20.7)	97,644 (13.5)	1,24,417 (27.4)	NA

Figures in the parentheses indicate percentage growth over previous year. *NA : Not Available.*

***Source** : Development Commisioner (SSI).*