

Section III : Moving Forward – Eleven Five Year Plan : Inclusive Growth – Vision and Strategy :

India has entered the Eleven Plan period with an impressive record of economic growth. The growth rate in the last four years of the plan has averaged 8.7% making India one of the fastest growing economies in the world, however the lack of inclusiveness is borne out by data on several dimension of performance. The central vision of the Eleven Plan is to build on our strengths to trigger a development process which ensures broad-based improvement in the quality of life of the people, especially the poor. The National Development Council (N.D.C) in approving the Approach, endorsed a target of 9% GDP growth for the country as a whole. The strategy for inclusive growth in the Eleven Plan, aims at achieving a particular type of growth process which will meet the objective of inclusiveness and sustainability. It aims at doubling the rate of growth of agriculture to 4 % for achieving greater inclusiveness and calls for initiatives on several fronts.

- ◆ A comprehensive strengthening and restructuring of the Indian Council of Agricultural Research (ICAR) system. Give greater focus to research in strategic areas which would help to evolve cropping systems suited to various agro-climatic zones. Increase the accountability of the state agricultural universities, to make their research more directly useful and increase the public expenditure on agricultural research from 0.7 % of agricultural GDP to atleast 1 % by the end of the Eleventh Plan.
- ◆ There exists a large gap between the yields that are actually being realized and yields that can be achieved with the existing varieties using best practices in farm conditions. The plan focuses on evolving suitable strategies for each agro-climatic zone to reduce the gap. A new central assistance programme, the Rashtriya Krishi Vikas Yojana (RKVY) has been launched to incentivize State Government to prepare district level agricultural plans that take account of local conditions. The programme will encourage effective convergence among various central schemes. The preparation of district- specific agricultural plans is an important innovation and it is expected to sharpen the focus on local crop productivity constraint.
- Adoption of best practices involves additional investment. More public investment shall be undertaken to develop irrigation where it is feasible. Watershed management programmes shall be undertaken in dryland areas.
- Overall credit has expanded, but the number of loan accounts has declined, suggesting that small farmers are not receiving adequate credit. To correct this Eleventh Plan has recommended the revival of the co-operative banking system along with the lines recommended by the Vaidyanathan Committee.
- Deteriorating soil health is a major constraint limiting productivity in agriculture. The plan has recommended the restructuring of fertilizer subsidy so as to make it nutrient based and to enable production of composite fertilizers, including micronutrients, by giving producers the flexibility to charge higher prices which will cover the cost of adding micronutrients.
- Seed replacement is another major problem constraining crop productivity. Eleventh Plan has stressed the need to increase the supply of certified seeds. In some states, state agricultural universities have been asked to take over