

## CHAPTER-XI

### AGRICULTURAL ECONOMY

Estimates of State Domestic Product are regarded as the most important single economic indicator to measure the economic development of a state. The per capita income is used to determine both the absolute and relative performance of the economy of the state. It is regarded as an important tool to measure the regional disparities. These estimates are now frequently used in the country by policy makers, planners and administrators for proper formulation and appraisal of plans for balanced economic development. Likewise, the relative importance of a particular sector is determined by its share in the total income of that state.

#### Growth of State Domestic Product

During 1960-61 to 1996-67 i.e. before the formation of a separate state, the growth rate in Haryana was substantially lower when compared to Punjab but higher as compared to all India growth rate. But after Haryana became a separate state i.e. after 1966-67 it has a fastest rate of growth of economy.

#### Average Annual Growth Rates of Haryana,Punjab

#### And All India (in Gross State Domestic Product at Constant Prices).

##### Average Annual Growth Rates(Percent)

Period	Haryana	Punjab	All India
1966-67 to 1970-71	10.3	6.7	4.8
1971-72 to 1980-81	4.8	4.7	3.4
1981-82 to 1990-91	6.7	5.3	5.7
1991-92 to 2003-04	5.3	4.2	5.8
1966-67 to 2003-04	6.2	5.0	5.0

1. Estimates for 2001-02 & 2002-03 are provisional and for 2003-04 are quick.
2. Growth rates for Haryana from 1966-67 to 1980-81 and for Punjab from 1966-67 to 1970-71 are based on Net State Domestic Product.

From the above table comparing the average annual growth rates of Haryana, Punjab and all India, it is found that during 1966-67 to 1970-71, 1971-72 to 1980-81, 1981-82 to 1990-91 and 1991-92 to 2003-04, Haryana has the highest growth rate followed by Punjab but during 1991-92 to 2003-04, all India has slightly higher growth rate than Haryana. In all during the period of 38

years i.e. from 1996-67 to 2003-04, Haryana has the highest growth rate of 6.2 percent of economy whereas Punjab and all India has the Growth rate of 5.0 percent each.

**Average Annual Growth Rates of Haryana according to Broad sectors (in Gross State Domestic Product at constant prices)**

Period	Primary	Secondary	Tertiary	Total
1966-67 to 1970-71	13.1	6.4	8.3	10.3
1971-72 to 1980-81	3.0	7.4	8.3	4.8
1981-82 to 1990-91	5.3	9.0	8.0	6.7
1991-92 to 2003-04	2.3	5.6	8.2	5.3
1966-67 to 2003-04	4.7	7.1	8.2	6.2

1. Estimates for 2001-02 & 2002-03 are provisional and for 2003-04 are quick.
2. Growth Rates for 1966-67 to 1980-81 are based on Net State Domestic Product.

From the above table it is found that during the period 1966-67 to 1970-71, 1971-72 to 1980-81, 1981-82 to 1990-91 and 1991-92 to 2003-04, the primary sector recorded average annual growth rates of 13.1 percent, 3.0 percent, 5.3 percent and 2.3 percent. During these periods the secondary sector recorded growth rates of 6.4 percent, 7.4 percent, 9.0 percent and 5.6 percent and tertiary sector recorded average annual growth rates of 8.3 percent, 8.3 percent, 8.0 percent and 8.2 percent. In all during this 38 years period of 1966-67 to 2003-04 the primary secondary and tertiary sector recorded average annual growth rates of 4.7 percent, 7.1 percent and 8.2 percent respectively.

**Composition of Gross State Domestic Product by Broad Sector at constant Prices.**

(Percent)

Year	Primary	Secondary	Tertiary
1966-67	56.6	20.5	22.9
1985-86	48.2	23.1	28.7
2003-04	29.6	27.8	42.6

1. Estimates for 2003-04 are quick.
2. Composition for the year 1966-67 is based on Net State Domestic Product.

The above table reveals that the structural composition of state economy has witnessed significant changes since the formation of Haryana State. Agriculture sector still continues to occupy a significant position in the state economy, although the share of this sector in state economy is continuously declining. The composition of State economy at constant prices reveals that the share of primary sector which includes agriculture and allied sector has declined for 56.6 percent in 1966-67 to 48.2 percent in 1985-86 and further to 29.6 percent in 2003-04. The share of secondary sector which includes manufacturing Sector has increased from 20.5 percent in 1966-67 to 23.1 percent in 1995-86 and further to 27.8 percent in 2003-04. The Tertiary Sector which is a combination of different services like trade, transport, banking, public administration, education, health etc. also witnessed significant increase in its share. Its contribution in state economy has increased for 22.9 percent in 1966-67 to 28.7 percent in 1985-86 and to 42.6 percent in 2003-04.

The composition of state's economy reveals that the share of primary sector is continuously declining whereas the share of secondary as well as tertiary sector is continuously increasing. It shows that the state economy is shifting from agriculture to manufacturing and services sectors, which is a sign of healthy economy and the state economy is moving in the right direction.

**Per Capita Income of Haryana, Punjab and All India (At Current Prices).**

Per Capita Income(Rs.) (at current Prices )	Haryana	Punjab	All India
1966-67	608	733	544
1980-81	2370	2674	1741
1990-91	7508	8318	5365
2003-04	29963	27851	20989
Percentage Increase			
1966-67 to 1980-81	289.8	264.8	220.0
1980-81 to 1990-91	216.8	211.1	208.2
1990-91 to 2003-04	299.1	234.8	291.2

The above table shows that during the period 1966-67 to 1980-81, 1980-81 to 1990-91 and 1990-91 to 2003-04 the per capita income of Haryana has increased by 289.8 percent 216.8 percent and 299.1 percent respectively. During these periods, the per capita income of Punjab has increased by 264.8 percent, 211.1 percent and 234.8 percent and that of all India by 220.0 percent, 208.2 percent and 291.2 percent. It shows that since 1966-67 the per capita income of Haryana has increased with fastest growth rate as compared to Punjab and all India.

During 1985-86 to 2003-04 the whole sale price Index of 20 important agriculture commodities in Haryana increased from 125.6 to 472.03 i.e. by 38 times. The course of movement of prices can be divided into the following phases as shown in table –1.

1. 1985-86 to 1989-90 :-During these five years agricultural prices should a rising tendency. Whole sale price Index of agricultural commodities increased by 31.4% during this period.
2. 1990-91 to 1994-95 : - During these five years the agricultural prices had a rising trend whole sale price index of agricultural commodities increased by 62.9% during this period.
3. 1995-96 to 1999-2000 : During these five years prices had a rising tendency whole sale price index of agricultural commodities increased by 33.8% during this period.
4. 2000-2001 to 2002-2004 : During these four years prices had a rising trend. Whole sale price index of agricultural commodities increased by 15.5% during this period.

During the year 1966-67 to 1970-71, 1975-76, 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 the prices of grain increased by 2.9%, 238.2%, 87.7% and 64.4% respectively.

**Rapeseed :-** The price of rapeseed from 1966-67 to 2003-04 increased by Rs. 164.62 per quintal to Rs. 1658.30 per quintal i.e. approximately 10.1 times.

During the year 1966-67 to 1970-71, 1975-76, 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 the price of rapeseed increased by 7.2%, 143.6%, 84.4% and 60.8% respectively.

**Toria :-** The price of toria from 1966-67 to 2003-04 increased Rs. 162.35 per quintal to Rs. 1593.57 per quintal i.e. approximately 9.8 times.

During the year 1966-67 to 1970-71, 1975-76, 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 the price of toria increased by 2.9%, 144.3%, 168.9% and 66.1% respectively.

**Gur :-** the price of gur from 1966-67 to 2003-04 increased by Rs. 90.32 per quintal to Rs. 861.20 per quintal i.e. approximately 0.5 times.

**Cotton Desi :-** The price of cotton from 1966-67 to 2003-04 increased Rs. 109.81 per quintal to Rs. 2004.70 per quintal i.e. approximately 18.3 times.

During the year 1966-67 to 1970-71, 1975-76, 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 the price of cotton desi increased by 63.2%, 69.6%, 65.2% and 29.5% respectively.

**Tabacco :-** The price of tabacco from 1966-67 to 2003-04 increased by Rs. 250.00 per quintal to Rs. 1118.18 per quintal i.e. approximately 4.5 times.

During the year 1966-67 to 1970-71, 1985-86 to 1990-91 and 1995-96 to 2003-04 the price of tabacco increased by 16.5% , 9.4% and 36.3% respectively.

During the 1966-67 to 2003-04 the trend of harvest prices of 12 commodities in Haryana is as below as shown in table-II

**1. Rice :-**The price of rice from 1966-67 to 2003-04 increased by Rs. 38.50 percent per quintal to Rs. 572.58 per quintal i.e. approximately 14.9 times.

During the year 1966-67 to 1970-71, 1975-76 to 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 the price of rice increased by 37.7%, 44.00%, 48.3% and 35.3% respectively.

**2. Wheat :-** The price of wheat from 1966-67 to 2003-04 the price of wheat increased by Rs. 96.76 per quintal to Rs. 630.00 per quintal i.e. approximately 6.5 times.

During the year 1966-67 to 1970-71 the prices of wheat decreased by 22.9% , but during the year 1975-76 to 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 increased by 8.1%, 47.9% and 54.8 % respectively.

**3. Barley :-** The price of barley from 1966-67 to 2003-04 increased by Rs. 91.50 per quintal to Rs. 514.76 per quintal i.e. approximately 5.6 times.

During the year 1966-67 to 1970-71 the price of barley decreased by 49.4%, but during the year 1975-76 to 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 increased by 93.2%, 100.1% and 40.8% respectively.

**4. Jowar :-** The price of jowar from 1966-67 to 2003-04 increased by Rs. 56.03 per quintal to Rs. 468.28 per quintal i.e. approximately 8.4 times.

During the year 1966-67 to 1970-71 the price of jowar decreased by 10.2%, but during the year 1975-76 to 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 increased by 38.0%, 25.9% and 16.3% respectively.

**5. Bajra :-** The price of bajra from 1966-67 to 2003-04 increased by Rs. 66.53 per quintal to Rs. 506.74 per quintal i.e. approximately 7.6 times.

During the year 1966-67 to 1970-71 the price of bajra decreased by 19.0%, but during the year 1975-76 to 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 increased by 42.4%, 16.2% and 31.4% respectively.

**6. Maize :-** The price of maize from 1966-67 to 2003-04 increased by Rs. 75.39 per quintal to Rs. 545.30 per quintal i.e. approximately 7.2 times.

During the year 1966-67 to 1970-71 the price of maize decreased by 31.0%, but during the year 1975-76 to 1980-81, 1985-86 to 1990-91 and 1995-96 to 2003-04 increased by 57.7%, 26.0% and 26.1% respectively.

**7. Gram :-** The price of gram from 1966-67 to 2003-04 increased by Rs. 100.77 per quintal to Rs. 1467.85 per quintal i.e. approximately 14.6 times.

**PRICES**

**Index Number of Wholesale Prices of  
20 Important Agricultural Commodities in Haryana.**

**Table I****Base 1980-81=100**

<b>Month-Month</b>	<b>General</b>
<b>1</b>	<b>2</b>
1985-86	125.6
1986-87	126.3
1987-88	152.4
1988-89	167.4
1989-90	165.1
1990-91	192.7
1991-92	237.5
1992-93	241.2
1993-94	282.5
1994-95	313.9
1995-96	318.0
1996-97	375.5
1997-98	377.10
1998-99	405.40
1999-00	425.50
2000-01	408.8
2001-02	424.60
2002-03	452.18
2003-04	472.03

1	2	3
<b><u>2003</u></b>		
	July	463.08
	August	449.60
	September	449.47
	October	463.46
	November	469.11
	December	479.19
<b><u>2004</u></b>		
	January	489.39
	February	488.76
	March	484.31
	April	474.31
	May	472.73
	June	480.94

*Source : Economic & Stistical Organisation, Haryana.*



AGRICULTURAL ECONOMY

525

PRICES

Table II

Year

(Rs. Per quintal)

Crops	1966-67	1967-68	1970-71	1975-76	1980-81	1985-86	1990-91	1995-96	2000-01	2001-02	2002-03	2003-04
Rice (Unhusked)	38.50	47.57	53.0	74.76	107.63	147.13	218.3	423.15	501.98	521	558.15	572.58
Wheat	96.74	74.24	74.55	104.77	113.20	165.12	244.2	407.10	610.00	630.00	630.00	630.00
Barley	91.50	51.37	46.32	59.72	115.36	133.08	266.3	365.70	390.01	534.2	543.84	514.76
Jowar	56.03	59.65	50.34	82.95	114.47	169.10	212.8	402.72	519.78	406.6	589.00	468.25
Bajra	66.53	71.60	53.92	84.20	119.88	173.10	201.2	385.82	388.46	350.4	568.19	506.77
Maize	75.39	73.65	52.03	80.84	127.45	177.74	224.00	432.42	472.85	515.2	650.31	545.30
Gram	100.77	69.40	79.68	102.33	346.08	368.03	690.9	894.99	1865	1581	#####	1467.9
Rapeseed	164.62	134.50	153.58	174.14	424.13	455.28	839.5	#####	1132.5	1213	1742.2	1658.30
Toria	162.35	110.87	167.08	158.31	386.76	348.91	938.1	959.22	1034.9	1040	1150.2	1593.6
Gur	90.32	161.90	66.48	109.12	280.05	299.01	388.4	637.59	885.43	914.5	764.40	861.20
Cotton Desi(Un Ginned)	109.84	118.92	179.3	192.20	325.87	443.10	731.80	#####	1507.5	1767	1774.6	2004.70
Tobacco	250.00	290.00	291.18	362.50	-	481.52	526.8	820.48	882.86	998.6	#####	1118.2

Note :- Period prescribed for each crop is noted

against it :-

Rice (Unhusked)

Wheat, Gram and Barley

Jowar, Bajra, Maize

Rapeseed

Toria

Gur

Cotton Desi (Unginned)

Tobacco

Source :- Economic and Statistical Organisation, Haryana

October-November

May-June

November-December

April-May

January-February

December-February

November-January

July-August

Haryana is one of the smallest states comprising about 1.3 per cent of the area and over 2 per cent of the population of Indian Union. Though the state is on the march of industrialization yet agriculture and animal husbandry are its major economic activities. There has to be a sound agricultural base for a successful process of industrialization. Haryana has a sound agricultural sector. This has provided impetus to rapid growth of industries.

Efforts are now required to be made by one and all to implement the new thrust areas of development with all sincerity and efficiency. These areas are (i) rapid industrialization of the state by setting up agro-based, electronic and Chemical industries, (ii) optimum use of science and technology for the socio-economic upliftment of the common man; (iii) ample emphasis on technical education and vocational education including women's education; (iv) production of electricity in ample measure both for agriculture and industry; (v) provision of irrigation facilities for each and every field in Haryana and (vi) development of dairy farming in the state on Gujarat State pattern. These are the real issue for all.

Haryana is the corridor state which surrounds the National Capital from the three sides. About 35 per cent of the total geographical area of Haryana lies in the National Capital Region. We should derive the maximum advantage of Haryana's strategic location. Delhi with its huge population of over 10 million can act as ready market for Haryana's agricultural, horticultural, dairy products etc. by adding value to the finished products through the agro-based industries which can be located within 40 kilometre of the National Capital. So far we have been subjected to various disadvantages of being situated so close to the National Capital like migration, pollution pressure, environmental pollution, crime etc. Time has come when we should start drawing the economic advantages of our location. We are living in a highly competitive world of tremendous technological advancement. In order to keep in the race of this neck to neck competition in the 21<sup>st</sup> century with the rest of the world Haryanvis have to acquire the matching skills. Haryana has fine human material and favourable physical environment. The state thus has all the ingredients that can turn this small state into a model for others to follow. The present state government has the golden opportunity to transform Haryana the number one state of India

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