

AGRICULTURAL PRODUCTIVITY IN EASTERN INDIA

VOLUME I



REPORT OF THE
COMMITTEE ON AGRICULTURAL
PRODUCTIVITY IN EASTERN INDIA
RESERVE BANK OF INDIA
1984

Price { Inland Rs. 70 (postage free)
Foreign US \$ 20 (postage free)

Published by K. R. Holla, Secretary, Committee on Agricultural Productivity in Eastern India, for the Reserve Bank of India, Bombay-400 023 and printed by Girish Shah at PRINTRITE, 24B Ambalal Doshi Marg, Raja Bahadur Compound, Bombay-400 023.

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FOREWORD

The Reserve Bank of India has now completed 50 years. During this period, the range of its functions has steadily extended from traditional central banking to active promotion of national objectives of accelerating growth with stability, furthering social justice and reducing inter-regional disparities. Considering the crucial role of agriculture in the growth of the economy, improvement of agricultural productivity and credit support for agriculture have been important objectives of the Bank's policy.

Experience has shown that reduction of regional disparities in the levels of development often requires adoption of different strategies for different regions. One region which has been engaging the special attention of national authorities including the Reserve Bank is Eastern India.

Eastern India comprising West Bengal, Orissa, Bihar and East U.P. is endowed with rich natural and human resources for development. At one time, the region's agricultural productivity was high, but has been falling in recent years. The growth in agricultural productivity particularly in the last two and a half decades has been modest and well below the attainable levels considering the region's large potential. In view of this, the Reserve Bank, jointly with National Bank for Agriculture and Rural Development appointed a Committee, with Dr. S. R. Sen, Chairman, International Food Policy Research Institute and member of the Commission on Centre-State Relations, as Chairman, to make a detailed study of the constraints on improving agricultural productivity in this region and suggest remedial measures, with particular reference to credit and investment, to achieve as much of the potential as possible by the end of the present decade. The Committee comprised the following members: Dr. S. K. Mukherjee, member, State Planning Board, Government of West Bengal, Dr. Pradhan Harj Shankar Prasad, Professor of Economics, A. N. Sinha Institute of Social Studies, Patna, Shri K. Ramamurthy, member, Board of Revenue, Government of Orissa, Cuttack* and Shri Harbans Singh, Agricultural Production Commissioner, Government of India.† The Committee submitted its Report on December 31, 1984.

* Retired from Government service from June 30, 1984.

† Retired from Government service from October 31, 1984.

The Committee in its Report has made a number of useful recommendations. The Report has pointed out that accelerated agricultural development in the region has to be spearheaded by massive provision of tubewells and pumpsets, improvement in drainage, water management techniques, research and extension, power, custom services and post-harvest arrangements for storage and marketing. It has highlighted the need for improving productivity per hectare and per cultivator, especially in the case of small and marginal farmers through science-based and industry-linked farming technology. It has urged the promotion of cultivation of HYV crops and high value crops through the adoption of labour-cum-capital intensive techniques by small and marginal farmers and provision of improved custom services through the setting up of leasing agencies. It has drawn attention to the need for reorganisation and strengthening of the credit structure, for which it has suggested a number of measures. The Report points out that the region is near the threshold of accelerated progress, but it would be necessary to give it a "big push" in terms of substantial public investment, credit support from the banking system and, more importantly, efficient management. The Committee is of the opinion that, if its recommendations are effectively implemented, it should be possible for the region to achieve an annual compound growth rate of at least 5 per cent in agricultural production during the next 10 years.

The Committee has produced a very valuable Report. I have no doubt the recommendations made by it will have a far reaching impact on the formulation and implementation of agricultural policies for the region in the coming years. We owe a special debt of gratitude to Dr. S. R. Sen and his colleagues for the high quality of work that has gone into the preparation of the Report.

I am happy that this Report is being published in the Golden Jubilee year of the Reserve Bank. It is hoped that it will be widely read and warmly welcomed by planners and policy makers and the valuable recommendations made by the Committee will become an important input in the plan of action to improve agricultural productivity of the eastern region of the country.

Reserve Bank of India
Bombay
May 27, 1985.



GOVERNOR

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