

## Farm sector maintains robust growth in Q2, GVA up 7.7% at current prices

Experts say many crops don't come into the market during July-Sept and the real impact of kharif harvest will be felt in the subsequent quarters

Sanjeeb Mukherjee | New Delhi November 27, 2020 Last Updated at 20:36 IST



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Gross value added for agriculture and allied activities clocked a growth of 3.4 per cent during the second quarter of 2020-21 at constant prices maintaining the robust performance that started from the lockdown months.

At current prices, GVA for the sector was estimated at 7.7 per cent, thus translating into an inflation impact of around 4.3 per cent better than the 2.3 per cent registered during the first quarter of 2020-21.

GVA for agriculture and allied activities at constant prices in April-June quarter (Q1) of 2020-21 grew at the rate of 3.4 per cent, which was the only sector to register a positive growth in that quarter as the Covid-19 induced lockdown pulled all others into negative territory.

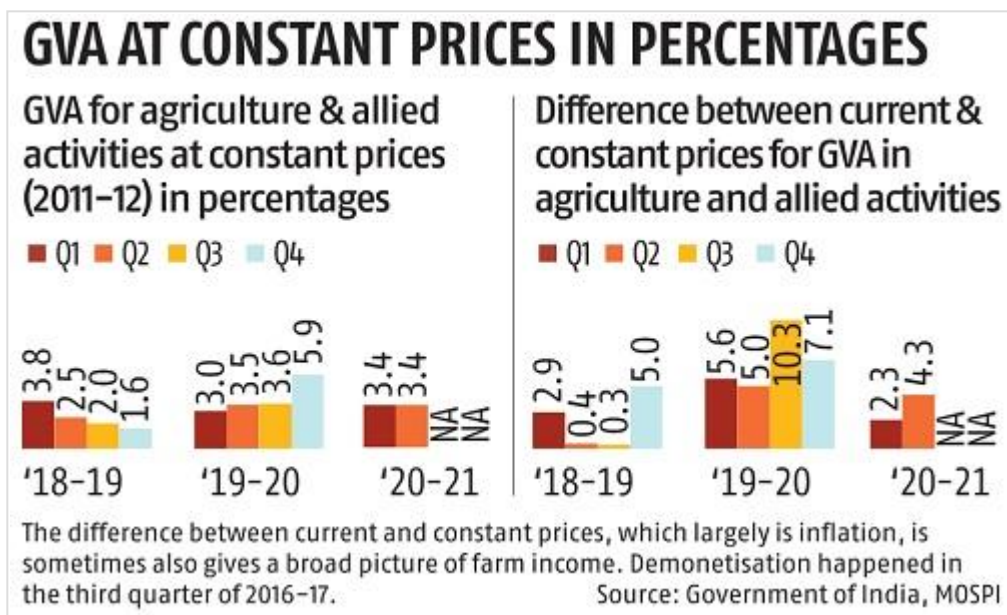
However, some experts warned that much should not be read into the performance of agriculture and allied activities in the second quarter (July-September) as several crops don't come into the market during these months and the real impact of kharif harvest will be felt in the subsequent quarters.

However, the government said that the second quarter estimates are based on First Advance Estimates of agricultural production during kharif season of 2020-21 and estimates of production of major livestock products that is milk, egg, meat and wool.

As per the first estimates, kharif production released in September, foodgrains production in 2020-21 is projected to be a record 144.52 million tonnes, which is 0.80 per cent more than the production in 2019-20.

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The production of pulses is expected to be around 9.31 million tonnes, which is almost 21 per cent more than 2019-20. The output of oilseed is expected to be 25.72 million tonnes which is 15.28 per cent more than the 2019-20.



“However, I feel that more than kharif production, the growth in GVA in agriculture and allied activities in the second quarter must have come from the non-crop sector which is largely livestock like milk, meat and eggs which constitute a big portion of the GVA,” Madan Sabnavis, chief economist of CARE Ratings told *Business Standard*.

He said that going forward, the full impact of kharif crops and the impact of late surge in

monsoon rains will be seen in the subsequent quarters.

“In the full year, I feel that agriculture and allied activities GVA at constant prices will be 3.5-4.0 per cent, which is good given the dismal scenario elsewhere,” Sabnavis said.

The sharp increase in sowing of rabi crops also gives hope that farm sector might continue to outperform others in 2020-21.

Latest data showed that till November 27, rabi crops have been sown in around 34.82 million hectares, which is 4.02 per cent more than last year as late withdrawal of monsoon encouraged farmers to plant more area than last year.