

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:316
ANSWERED ON:11.08.2003
INVESTMENT IN AGRICULTURE SECTOR
VILAS BABURAO MUTTEMWAR

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the agricultural sector is presently facing capital starvation and requires huge investments to boost the exports and increase the profitability;
- (b) if so, whether any proposal has been finalized by the Government for involvement of the private sector;
- (c) if so, the details thereof;
- (d) whether the Government propose to step up the involvement of the banks in the Agriculture Sector;
- (e) if so, whether any instructions have been issued to the banks in this regard;
- (f) if so, the details thereof and whether the Government propose to give loans to the agriculturists at lower rate of interest; and
- (g) if so, the details thereof?

Answer

MINISTER OF AGRICULTURE (SHRI RAJNATH SINGH)

(a) to (g): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NO. 316 DUE FOR REPLY ON 11TH AUGUST, 2003.

(a) to (c): The Gross Capital Formation (GCF) which is the addition to capital stock has increased from Rs.15249 crore in 1993-94 to Rs.36701 crore in 2001-02 in the Agriculture Sector including Forestry and Fishing. Government of India have introduced Agri Export Zones (AEZ) for increased investment in agriculture sector to boost exports. Till date 48 AEZs have been declared in 19 States involving projected investment of Rs.1326 crore.

(d) to (g): Directives have been issued by the Reserve Bank of India to public sector banks to deploy 18% of their net bank credit for agriculture and allied activities. Further, the rate of interest on crop loans upto Rs.50,000 advanced by public sector banks has been lowered to maximum 9 percent per annum.